

LEGISLATIVE AND OVERSIGHT ACTIVITIES DURING THE  
111TH CONGRESS BY THE SENATE COMMITTEE ON  
VETERANS' AFFAIRS

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FEBRUARY 7, 2013.—Ordered to be printed

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Mr. SANDERS, from the Committee on Veterans' Affairs,  
submitted the following

R E P O R T

Pursuant to paragraph 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs (hereinafter "Committee") submits its report on legislative and oversight activities during the 111th Congress.

I. HEARINGS AND MEETINGS

*A. First Session (2009)*

During the First Session of the 111th Congress, the Committee held 32 hearings, including four field hearings. At those events, the Committee heard testimony from 219 witnesses.

Three hearings (April 22, April 29, and October 21) focused exclusively on legislation pending before the Committee. Testimony offered at those hearings covered 63 bills.

The Committee held six business meetings. The organizational meeting was held on February 10. On May 21, six measures were reported out of Committee. The Committee held six meetings to discharge nominations.

The Session coincided with the election of a new President of the nation, compelling the Committee to hold confirmation hearings on his nominees to lead the Department of Veterans Affairs (VA). The Committee's first hearing took place on January 14, even before the inauguration of the then president-elect, to consider the selection of General Eric K. Shinseki to serve as VA Secretary. Several other VA nominees subsequently came before the Committee this Session.

Notwithstanding the Committee's attention to the confirmation process, a principal focus during this Session was addressing the systemic problems besetting the VA's disability compensation sys-

tem. In a series of hearings on this topic, Members examined proposed improvements to the appeals process for claims decisions on February 11; state-of-the-art IT solutions for benefits delivery on March 25; reforms to increase the accuracy and timeliness of claims processing on July 29; and, concerns over the rating system governing disability payments on September 17.

In addition, the Committee looked at challenges on February 26 and August 26 in providing health care to veterans in rural parts of the nation. The Chairman also convened a hearing on July 14 to examine gaps in VA's system of care for women veterans. Both hearings conveyed the high priority the Committee placed on improving care for these important components of the veteran population.

Following reports of several instances in which veterans suffered or even died as a result of poor quality of care at VA facilities, witnesses were called to testify before the Committee on June 24 about concerns over VA enforcement of standards governing the quality of health care.

Other oversight hearings included the topics of VA's construction process, health care contracting, and cooperation with the Indian Health Service, taking place on June 10, September 30, and November 5, respectively.

To receive testimony on the complex issues stemming from exposure of veterans to toxic substances during their military service, on October 8 Members heard from witnesses on the efforts of the Department of Defense (DOD) and VA to address health care and compensation for such veterans. In a different but equally pressing topic, in a November 18 hearing, Members reviewed the programs and plans of the Department of Labor's Veterans and Employment Service, along with certain non-profit and private-sector initiatives, to promote the employment of veterans.

The Committee held six joint hearings with the House Committee on Veterans' Affairs in order to receive legislative presentations from Veterans Service Organizations. These hearings were held on January 28, February 24, March 5, March 12, March 18, and September 10.

The Committee held four field hearings during the First Session. These hearings were held on June 29 in Philadelphia, PA; August 20 in Omaha, NE; August 25 in Oahu, HI; and August 26 in Jesup, GA.

#### *B. Second Session (2010)*

During the Second Session of the 111th Congress, the Committee held 21 hearings, including four field hearings. At those events, the Committee heard testimony from 111 witnesses.

A hearing on May 19 focused exclusively on legislation pending before the Committee. Testimony offered at those hearings covered 20 bills.

On January 28, the Committee reported two pieces of legislation, and on August 5, the Committee reported nine measures and discharged one nomination.

Early in the Second Session, the Committee met to receive testimony on the President's proposed fiscal year 2011 budget for veterans programs. That hearing took place on February 26.

Reflecting its concern over systemic problems with VA's disability compensation system, the Committee continued to hold hearings in this Session on different parts of this problem. A July 14 hearing examined VA efforts to reform the compensation system, a September 23 hearing looked at the process for determining when a disabling condition is presumed to be linked to exposure to Agent Orange, and a November 18 hearing focused on DOD and VA collaboration in a joint disability evaluation system.

The Committee continued to examine in a March 3 hearing the state of VA mental health care, especially for veterans struggling with post traumatic stress disorder (PTSD) and traumatic brain disorder (TBI), as well as on suicide prevention programs. In a May 5 hearing, the Committee looked exclusively at progress in treating TBI.

In several oversight hearings in this Session, the Committee turned its attention on April 21 to the Post-9/11 GI Bill, and, on July 21, proposed legislative enhancements to the educational benefits under the new program. In a March 24 hearing, the focus was VA's 5-year plan to end homelessness among veterans. In hearings on February 16 and 17, and June 16, the Committee continued its examination of extending health care to veterans living in rural and remote parts of the nation. On October 6, Members convened to examine VA's plans for modernizing its IT system.

The Committee held five joint hearings with the House Committee on Veterans' Affairs in order to receive legislative presentations from Veterans Service Organizations. These hearings were held on March 2, March 4, March 9, March 18, and September 22.

The Committee held four field hearings during the Second Session. These hearings were held on January 7 in Maui, HI; February 16 in Anchorage, AK; February 17 in Fairbanks, AK; and April 5 in Cambridge, OH.

### *C. List of Hearings and Meetings Held in the 111th Congress*

(1) Wednesday, January 14, 2009

Hearing: Nomination of General Eric K. Shinseki to be Secretary of Veterans Affairs

(2) Tuesday, January 20, 2009

Meeting: The Committee met to vote on the nomination of General Eric K. Shinseki to be Secretary of Veterans Affairs. A hearing on Gen. Shinseki's nomination was held on January 14, 2009; his nomination was reported favorably by the Committee on January 20, 2009, and he was confirmed by the Senate the same day

(3) Wednesday, January 28, 2009

Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentations of The American Legion, Disabled American Veterans, Iraq and Afghanistan Veterans of America, Paralyzed Veterans of America, Veterans of Foreign Wars, and Vietnam Veterans of America

(4) Tuesday, February 10, 2009

Meeting: The Committee conducted a poll of its Members to adopt the Committee's rules and budget for the 111th Congress

(5) Wednesday, February 11, 2009

Oversight Hearing: Review of Veterans' Disability Compensation: What Changes are needed to improve the Appeals Process?

(6) Tuesday, February 24, 2009

Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentation of the Disabled American Veterans

(7) Thursday, February 26, 2009

Oversight Hearing: Caring for Veterans in Rural Areas

(8) Thursday, March 5, 2009

Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentations of American Ex-Prisoners of War, Blinded Veterans Association, Gold Star Wives of America, Iraq and Afghanistan Veterans of America, Jewish War Veterans of the United States of America, Paralyzed Veterans of America, and Wounded Warrior Project

(9) Tuesday, March 10, 2009

Hearing: FY 2010 Budget for Veterans' Programs

(10) Thursday, March 12, 2009

Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentations of AMVETS; Air Force Sergeants Association; Fleet Reserve Association; Non Commissioned Officers Association; Military Order of the Purple Heart; The Retired Enlisted Association; Military Officers Association of America; National Association of State Directors of Veterans Affairs; and Vietnam Veterans of America

(11) Wednesday, March 18, 2009

Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentation of Veterans of Foreign Wars

(12) Wednesday, March 25, 2009

Oversight Hearing: State-of-the-Art IT Solutions for VA Benefits Delivery

(13) Wednesday, April 1, 2009

Hearing: Nomination of W. Scott Gould to be Deputy Secretary of Veterans Affairs and nomination of L. Tammy Duckworth to be Assistant Secretary of Veterans Affairs for Public and Intergovernmental Affairs

(14) Thursday, April 2, 2009

Meeting: The Committee met to vote on the nomination of W. Scott Gould to be Deputy Secretary of Veterans Affairs. A hearing on Mr. Gould's nomination was held on April 1, 2009; his nomination was reported favorably by the Committee on April 2, 2009, and he was confirmed by the Senate on April 3, 2009.

(15) Monday, April 20, 2009

Meeting: The Committee met to vote on the nomination of L. Tammy Duckworth to be Assistant Secretary for Public and Intergovernmental Affairs of Veterans Affairs. A hearing on Ms. Duckworth's nomination was held on April 1, 2009; her nomination was reported favorably by the Committee on April 20, 2009, and she was confirmed by the Senate on April 22, 2009.

(16) Wednesday, April 22, 2009

Legislative Hearing: Pending Health-Related Legislation

S. 226, a bill to designate the Department of Veterans Affairs outpatient clinic in Havre, Montana, as the Merrill Lundman Department of Veterans Affairs Outpatient Clinic

S. 239, a bill to amend title 38, United States Code (U.S.C.), to ensure that veterans in each of the 48 contiguous States are able to receive services in at least one full-service hospital of

the Veterans Health Administration in the State or receive comparable services provided by contract in the State

S. 246, a bill to amend title 38, U.S.C., to improve the quality of care provided to veterans in Department of Veterans Affairs medical facilities, to encourage highly qualified doctors to serve in hard-to-fill positions in such medical facilities, and for other purposes

S. 252, a bill to amend title 38, U.S.C., to enhance the capacity of the Department of Veterans Affairs to recruit and retain nurses and other critical health-care professionals, to improve the provision of health care for veterans, and for other purposes

S. 362, a bill to amend title 38, U.S.C., to improve the collective bargaining rights and procedures for review of adverse actions of certain employees of the Department of Veterans Affairs, and for other purposes

S. 404, a bill to amend title 38, U.S.C., to expand veteran eligibility for reimbursement by the Secretary of Veterans Affairs for emergency treatment furnished in a non-Department facility, and for other purposes

S. 423, a bill to amend title 38, U.S.C., to authorize advance appropriations for certain medical care accounts of the Department of Veterans Affairs by providing two-fiscal year budget authority, and for other purposes

S. 498, a bill to amend title 38, U.S.C., to authorize dental insurance for veterans and survivors and dependents of veterans, and for other purposes

S. 509, a bill for the construction of a new multiple specialty outpatient facility, campus renovation and upgrades, and additional parking at the VA Medical Center, Walla Walla, Washington, with the project not to exceed \$71,400,000

S. 543, a bill to require a pilot program on training, certification, and support for family caregivers of seriously disabled veterans and members of the Armed Forces to provide caregiver services to such veterans and members, and for other purposes

S. 597, a bill to amend title 38, U.S.C., to expand and improve health care services available to women veterans, especially those serving in operation Iraqi Freedom and Operation Enduring Freedom, from the Department of Veterans Affairs, and for other purposes

S. 658, a bill to amend title 38, U.S.C., to improve health care for veterans who live in rural areas, and for other purposes

S. 669, a bill to amend title 38, U.S.C., to require a judicial body to determine whether VA beneficiaries are a danger to themselves or others before they are listed in the NCIS

S. 699, a bill to provide for the construction of a full service hospital in Far South Texas by the Secretary of Veterans Affairs

S. 734, a bill to amend title 38, U.S.C., to improve the capacity of the Department of Veterans Affairs to recruit and retain physicians in Health Professional Shortage Areas and to improve the provision of health care to veterans in rural areas, and for other purposes

S. 772, a bill to enhance benefits for survivors of certain former members of the Armed Forces with a history of Post Traumatic Stress Disorder or Traumatic Brain Injury, to enhance availability and access to mental health counseling for members of the Armed Forces and veterans, and for other purposes

S. 793, a bill to direct the Secretary of Veterans Affairs to establish a scholarship program for students seeking a degree or certificate in the areas of visual impairment and orientation and mobility

S. 801, a bill to amend title 38, U.S.C., to waive charges for humanitarian care provided by the Department of Veterans Affairs to family members accompanying veterans severely injured after September 11, 2001, as they receive medical care from the Department and to provide assistance to family caregivers, and for other purposes

S. 821, a bill to amend title 38, U.S.C., to prohibit the Secretary of Veterans Affairs from collecting certain copayments from veterans who are catastrophically disabled, and for other purposes

(17) Wednesday, April 29, 2009

Legislative Hearing: Pending Benefits-Related Legislation

S. 263, the Servicemembers Access to Justice Act of 2009

S. 315, the Veterans Outreach Improvement Act of 2009

S. 347, a bill to amend title 38, U.S.C., to allow the Secretary of Veterans Affairs to distinguish between the severity of a qualifying loss of a dominant hand and a qualifying loss of a non-dominant hand for purposes of traumatic injury protection under Servicemembers' Group Life Insurance, and for other purposes

S. 407, the Veterans' Compensation Cost-of-Living Adjustment Act of 2009

S. 475, the Military Spouses Residency Relief Act

S. 514, the Veterans Rehabilitation and Training Improvements Act of 2009

S. 691, a bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in southern Colorado region, and for other purposes

S. 663, Belated Thank You to the Merchant Mariners of World War II Act of 2009

S. 728, the Veterans' Insurance and Benefits Enhancement Act of 2009

S. 746, a bill to direct the Secretary of Veterans Affairs to establish a national cemetery in the Sarpy County region to serve veterans in eastern Nebraska, western Iowa, and north-west Missouri

S. 820, a bill to amend title 38, U.S.C., to enhance the automobile assistance allowance for veterans, and for other purposes

S. 842, a bill to repeal the sunset of certain enhancements of protections of servicemembers relating to mortgages and mortgage foreclosures, to amend title 38, U.S.C., to authorize the Secretary of Veterans Affairs to pay mortgage holders unpaid balances on housing loans guaranteed by Department of Veterans Affairs, and for other purposes

S. 847, a bill to provide that utilization of survivors' and dependents' educational assistance shall not be subject to the 48-month limitation on the aggregate amount of assistance utilizable under multiple veterans and related educational assistance programs

S. 919, the Clarification of Characteristics of Combat Service Act of 2009

S. 1015, a bill to amend title 38, U.S.C., to enhance disability compensation for certain disabled veterans with difficulties using prostheses and veterans in need of regular aid and attendance, and for other purposes

S. 1016, a bill to amend title 38, U.S.C., to modify the commencement of the period of payment of original awards of compensation for veterans who are retired or separated from the Armed Forces for disability

(18) Wednesday, May 6, 2009

Hearing: Nominations of John U. Sepúlveda to be Assistant Secretary for Human Resources and Administration at Veterans Affairs; Will A. Gunn to be General Counsel; Jose D. Riojas to be Assistant Secretary for Operations, Security, and Preparedness; and Roger W. Baker to be Assistant Secretary for Information and Technology

(19) Tuesday, May 12, 2009

Meeting: The Committee met to vote on the nominations of John U. Sepúlveda to be Assistant Secretary for Human Resources and Administration at Veterans Affairs; Will A. Gunn to be General Counsel; Jose D. Riojas to be Assistant Secretary for Operations, Security, and Preparedness; and Roger W. Baker to be Assistant Secretary for Information and Technology. A hearing on all four nominations was held on May 6, 2009; their nominations were reported favorably by the Committee on May 12, 2009, and they were confirmed by the Senate on May 18, 2009.

(20) Thursday, May 21, 2009

Meeting: Committee markup of a Committee Print of S. 252, Veterans Health Care Authorization Act of 2009; the Committee Print of S. 407, Veterans' Compensation Cost-of-Living Adjustment Act of 2009; S. 423, Veterans Health Care Budget Reform and Transparency Act of 2009; S. 475, Military Spouses Residency Relief Act; S. 669, Veterans 2nd Amendment Protection Act; the Committee Print of S. 728, Veterans' Benefits Enhancement Act of 2009; and the Committee Print of S. 801, Caregiver and Veterans Health Services Act of 2009

(21) Wednesday, June 10, 2009

Oversight Hearing: Oversight on VA's Construction Process

(22) Wednesday, June 24, 2009

Oversight Hearing: Oversight of VA Quality Management Activities

(23) Monday, June 29, 2009

Field Hearing held in Philadelphia, Pennsylvania: Philadelphia VA Medical Center Terminated Cancer Treatment Program

(24) Tuesday, July 14, 2009

Oversight Hearing: Women Veterans: Bridging the Gaps in Care

(25) Wednesday, July 22, 2009

Hearing: Nomination of Raymond M. Jefferson to be the Assistant Secretary for Veterans' Employment and Training, Department

of Labor, and Joan M. Evans to be the Assistant Secretary for Congressional and Legislative Affairs of Veterans Affairs

(26) Wednesday, July 29, 2009

Oversight Hearing: Veteran's Disability Compensation: Forging a Path Forward

(27) Monday, August 3, 2009

Meeting: The Committee met to vote on the nomination of Raymond M. Jefferson to be Assistant Secretary for Veterans' Employment and Training of the Labor Department. A hearing on Mr. Jefferson's nomination was held on July 2, 2009; his nomination was reported favorably by the Committee on August 3, 2009, and he was confirmed by the Senate on August 7, 2009.

(28) Thursday, August 20, 2009

Field Hearing held in Omaha, Nebraska: The Challenges of an Aging VA Medical Center

(29) Tuesday, August 25, 2009

Field Hearing held in Oahu, Hawaii: VA Outreach to Returning Guard Units

(30) Wednesday, August 26, 2009

Field Hearing held in Jesup, Georgia: Providing Care for Rural Veterans: Community-Based Outpatient Clinics

(31) Thursday, September 10, 2009

Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentation of The American Legion

(32) Thursday, September 17, 2009

Oversight Hearing: Review of Veteran's Disability Compensation: Benefits in the 21st Century

(33) Wednesday, September 30, 2009

Oversight Hearing: VA's Contracts for Health Services

(34) Thursday, October 8, 2009

Oversight Hearing: VA/DOD Response to Certain Military Exposures

(35) Wednesday, October 21, 2009

Hearing: Pending Health and Benefits Legislation

S. 977, the Prisoner of War Benefits Act of 2009

S. 1109, the Providing Real Outreach for Veterans Act of 2009 or PRO-VETS Act of 2009

S. 1118, a bill to amend title 38, U.S.C., to provide for an increase in the amount of monthly dependency and indemnity compensation payable to surviving spouses by the Secretary of Veterans Affairs, and for other purposes

S. 1155, a bill to amend title 38, U.S.C., to establish the position of Director of Physician Assistant Services within the office of the Under Secretary of Veterans Affairs for health

S. 1204, the Chiropractic Care Available to All Veterans Act of 2009

S. 1237, the Homeless Women Veterans and Homeless Veterans with Children Act of 2009

S. 1302, the Veterans Health Care Improvement Act of 2009

S. 1394, the Veterans Entitlement to Service Act of 2009

S. 1427, the Department of Veterans Affairs Hospital Quality Report Card Act of 2009

S. 1429, the Servicemembers Mental Health Care Commission Act

S. 1444, the COMBAT PTSD Act



S. 1467, the Lance Corporal Josef Lopez Fairness for Servicemembers Harmed by Vaccines Act of 2009

S. 1483, a bill to designate the Department of Veterans Affairs outpatient clinic in Alexandria, Minnesota, as the "Max J. Beilke Department of Veterans Affairs Outpatient Clinic"

S. 1518, the Caring for Camp Lejeune Veterans Act of 2009

S. 1531, a bill to amend title 38, U.S.C., to establish with the Department of Veterans Affairs the position of Assistant Secretary for Acquisition, Logistics, and Construction, and for other purposes

S. 1547, the Zero Tolerance for Veterans Homelessness Act of 2009

S. 1556, the Veteran Voting Support Act of 2009

S. 1607, the Wounded Veteran Job Security Act of 2009

S. 1668, the National Guard Education Equality Act

S. 1752, a bill to amend title 38, U.S.C., to direct the Secretary of Veterans Affairs to provide wartime disability compensation for certain veterans with Parkinson's disease

S. 1753, a bill to amend title 38, U.S.C., to increase assistance for disabled veterans who are temporarily residing in housing owned by a family member, and for other purposes

S. 1779, based on S. 642, the Health Care for Members of the Armed Forces Exposed to Chemical Hazards Act of 2009

(36) Thursday, November 5, 2009

Oversight Hearing: VA and Indian Health Services Cooperation

(37) Wednesday, November 18, 2009

Oversight Hearing: Easing the Burdens through Employment

(38) Wednesday, December 9, 2009

Hearing: The Nomination of Robert A. Petzel, MD, to be Under Secretary for Health and Raul Perea-Henze, MD, MPH, to be Assistant Secretary for Policy and Planning of the Department of Veterans Affairs

(39) Wednesday, December 16, 2009

Meeting: The Committee met to vote on the nomination of Robert A. Petzel, MD, to be Under Secretary for Health of Veterans Affairs

(40) Thursday, January 7, 2010

Field Hearing held in Maui, Hawaii: State of VA Services in Maui

(41) Thursday, January 28, 2010

Meeting: To consider the Nomination of Raul Perea-Henze, MD, MPH, to be Assistant Secretary for Policy and Planning of Veterans Affairs; Committee markup of the Committee Print of S. 1237, Homeless Veterans and Other Health Care Authorities Act of 2010; and the Committee Print of an original bill (became S. 3378 upon introduction), Examination of Exposures to Environmental Hazards During Military Service and Health Care for Camp Lejeune and Atsugi Naval Air Facility Veterans and Their Families Act of 2010

(42) Tuesday, February 16, 2010

Field Hearing held in Anchorage, Alaska: Services for Veterans in Alaska

(43) Wednesday, February 17, 2010

Field Hearing held in Fairbanks, Alaska: Services for Veterans in Alaska

(44) Friday, February 26, 2010

- Hearing: FY 2011 Budget for Veterans' Programs  
 (45) Tuesday, March 2, 2010  
 Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentation of Disabled American Veterans  
 (46) Wednesday, March 3, 2010  
 Oversight Hearing: Mental Health Care and Suicide Prevention for Veterans  
 (47) Thursday, March 4, 2010  
 Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentations of Jewish War Veterans of the USA, Military Order of the Purple Heart, American Ex-Prisoners of War, Blinded Veterans Association, Air Force Sergeants Association, and Wounded Warrior Project  
 (48) Tuesday, March 9, 2010  
 Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentation of Veterans of Foreign Wars  
 (49) Thursday, March 18, 2010  
 Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentations of AMVETS, Vietnam Veterans of America, Iraq and Afghanistan Veterans of America, Gold Star Wives of America, Inc., National Association of State Directors of Veterans Affairs, Non Commissioned Officers Association, The Retired Enlisted Association, and Fleet Reserve Association  
 (50) Wednesday, March 24, 2010  
 Oversight Hearing: VA's Plan for Ending Homelessness among Veterans  
 (51) Monday, April 5, 2010  
 Field Hearing (Cambridge, OH): Benefits and Services for Veterans in Appalachia  
 (52) Wednesday, April 21, 2010  
 Oversight Hearing: Implementation of the New Post-9/11 GI Bill—Looking Back and Moving Forward  
 (53) Wednesday, May 5, 2010  
 Oversight Hearing: TBI: Progress in Treating the Signature Wound of the Current Conflicts  
 (54) Wednesday, May 19, 2010  
 Hearing: Pending Legislation  
     S. 1780, the Honor America's Guard-Reserve Retirees Act  
     S. 1866, a bill to amend title 38, U.S.C., to provide for the eligibility of parents of certain deceased veterans for interment in national cemeteries  
     S. 1939, the Agent Orange Equity Act of 2009  
     S. 1940, a bill to require the Secretary of Veterans Affairs to carry out a study on the effects on children of exposure of their parents to herbicides used in support of the United States and allied military operations in the Republic of Vietnam during the Vietnam era, and for other purposes  
     S. 2751, a bill to designate the Department of Veterans Affairs medical center in Big Spring, Texas, as the George H. O'Brien, Jr., Department of Veterans Affairs Medical Center  
     S. 3035, the Veterans Traumatic Brain Injury Care Improvement Act of 2010  
     S. 3107, the Veterans' Compensation Cost-of-Living Adjustment Act of 2010  
     S. 3192, the Fair Access to Veterans Benefits Act of 2010

S. 3234, the Veteran Employment Assistance Act of 2010

S. 3286, a bill to require the Secretary of Veterans Affairs to carry out a pilot program on the award of grants to State and local government agencies and nonprofit organizations to provide assistance to veterans with their submittal of claims to the Veterans Benefits Administration, and for other purposes

S. 3314, a bill to require the Secretary of Veterans Affairs and the Appalachian Regional Commission to carry out a program of outreach for veterans who reside in Appalachia, and for other purposes

S. 3325, a bill to amend title 38, U.S.C., to authorize the waiver of the collection of copayments for telehealth and telemedicine visits of veterans, and for other purposes

S. 3330, the Veterans' Health and Radiation Safety Act of 2010

S. 3348, a bill to amend title 38, U.S.C., to provide for the treatment as a motion for reconsideration of a decision of the Board of Veterans' Appeals of a notice of appeal of such decision misfiled with the Department of Veterans Affairs, and for other purposes

S. 3352, the Veterans Pensions Protection Act of 2010

S. 3355, the Veterans OneSource Act of 2010

S. 3367, a bill to amend title 38, U.S.C., to increase the rate of pension for disabled veterans who are married to one another and both of whom require regular aid and attendance, and for other purposes

S. 3368, a bill to amend title 38, U.S.C., to authorize certain individuals to sign claims filed with the Secretary of Veterans Affairs on behalf of claimants and for other purposes

S. 3370, a bill to amend title 38, U.S.C., to improve the process by which an individual files jointly for social security and dependency and indemnity compensation, and for other purposes

S. 3377, a bill to amend title 38, U.S.C., to improve the multifamily transitional housing loan program of the Department of Veterans Affairs by requiring the Secretary of Veterans Affairs to issue loans for the construction of, rehabilitation of, or acquisition of land for multifamily transitional housing projects instead of guaranteeing loans for such purposes, and for other purposes

(55) Tuesday, June 16, 2010

Oversight Hearing: VA Health Care in Rural Areas

(56) Wednesday, July 14, 2010

Oversight Hearing: Review of Veterans' Claim Processing: Are Current Efforts Working?

(57) Wednesday, July 21, 2010

Oversight Hearing: Improvements to the Post-9/11 GI Bill

(58) Thursday, August 5, 2010

Meeting: Committee Markup of S. 3107, Veterans' Compensation Cost-of-Living Adjustment Act of 2010; the Committee Print of S. 3234, Veterans Employment Assistance Act of 2010; the Committee Print of S. 3325, Veterans Telehealth and other Care Improvements Act of 2010; the Committee Print of S. 3447, Post-9/11 Veterans Educational Assistance Improvements Act of 2010; the Committee Print of S. 3517, Claims Processing Improvement Act of

2010; S. 3609, a bill to extend the temporary authority for the performance of medical disability examinations by contract physicians for the Department of Veterans Affairs; and the Committee Print of an original bill (became S. 3765 upon introduction), to amend title 38, U.S.C., to improve Servicemember Group Life Insurance and Veterans' Group Life Insurance and to modify the provision of compensation and pension to surviving spouses of veterans in the months of the deaths of the veterans, and for other purposes

(59) Wednesday, September 22, 2010

Joint Hearing with the House Committee on Veterans' Affairs to hear the legislative presentation of The American Legion

(60) Thursday, September 23, 2010

Oversight Hearing: VA Disability Compensation: Presumptive Disability Decision-Making

(61) Wednesday, October 6, 2010

Oversight Hearing: VA's IT Program—Looking Ahead

(62) Thursday, November 18, 2010

Oversight Hearing: Review of the VA and DOD Integrated Disability Evaluation System

## II. LEGISLATION

### *A. First Session (2009)*

In the First Session, the Committee met in open session on May 21 and ordered reported seven pieces of legislation to the full Senate.

#### 1. S. 252, Veterans Health Care Authorization Act of 2009

To enhance the capacity of the Department of Veterans Affairs to recruit and retain nurses and other critical health-care professionals, to improve the provision of health care to veterans, and for other purposes. This measure was introduced in the Senate on January 15, 2009, and the Committee ordered it to be favorably reported on May 21, 2009. Senate Report 111–60 was filed on July 24, 2009. These provisions were enacted on May 5, 2010, as part of the Caregivers and Veterans Omnibus Health Services Act of 2010, Public Law 111–163.

#### 2. S. 407, Veterans' Compensation Cost-of-Living Adjustment Act of 2009

To provide for an increase, effective December 1, 2009, in the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, to codify increases in the rates of such compensation that were effective as of December 1, 2008, and for other purposes. This measure was introduced in the Senate on February 10, 2009, and the Committee ordered it to be favorably reported on May 21, 2009. S. Report 111–24 was filed on June 4, 2009. The Senate unanimously passed the measure, as amended, on June 10, 2009, and the House unanimously passed the measure on June 23, 2009. The bill was signed on June 30, 2009, as Public Law 111–37.

#### 3. S. 423, Veterans Health Care Budget Reform and Transparency Act of 2009

To authorize advance appropriations for certain medical care accounts of the Department of Veterans Affairs by providing two-fiscal-year budget authority, and for other purposes. This measure

was introduced in the Senate on February 12, 2009, and the Committee ordered it to be favorably reported on May 21, 2009. S. Report 111-41 was filed on July 8, 2009. The House passed a companion measure on June 23, 2009, and the Senate voted to pass the bill on August 6, 2009. The House passed a compromise measure on October 8, 2009, which the Senate passed on October 13, 2009. The bill was signed into law on October 22, 2009, as Public Law 111-81.

4. S. 475, Military Spouses Residency Relief Act

To guarantee the equity of spouses of military personnel with regard to matters of residency, and for other purposes. This measure was introduced in the Senate on February 25, 2009, and the Committee ordered it to be favorably reported on May 21, 2009. S. Report 111-46 was filed on July 15, 2009. The Senate unanimously passed the bill on August 4, 2009, and the House voted to pass it on November 11, 2009. The bill was signed into law on November 11, 2009, as Public Law 111-97.

5. S. 669, Veterans 2nd Amendment Protection Act

To clarify the conditions under which certain persons may be treated as adjudicated mentally incompetent for certain purposes. This measure was introduced in the Senate on March 23, 2009, and the Committee ordered it to be favorably reported on May 21, 2009. S. Report 111-27 was filed on June 16, 2009. No further action was taken on the measure in the 111th Congress.

6. S. 728, Veterans' Benefits Enhancement Act of 2009

To enhance veterans' insurance benefits, and for other purposes. This measure was introduced in the Senate on March 26, 2009, and the Committee ordered it to be favorably reported, as amended, on August 7, 2009. It was filed on September 2, 2009. S. Report 111-71. No further action was taken on the bill in the 111th Congress.

7. S. 801, Caregiver and Veterans Health Services Act of 2009

To authorize VA to provide financial, health services and other support to the family caregivers of severely injured OIF/OEF veterans, to improve access to care and quality of care for rural veterans, and for other purposes. The bill was introduced in the Senate on April 2, 2009, and the Committee ordered it to be reported, as amended, on May 21, 2009. S. Report 111-80 was filed on September 25, 2009. Provisions from S. 801 were incorporated into S. 1963, the Caregivers and Veterans Omnibus Health Services Act of 2010, which the Senate passed on November 19, 2009, and the House passed on April 21, 2010. This measure was signed into law on May 5, 2010, as Public Law 111-163.

In addition, during the first session the Committee discharged by unanimous consent several pieces of legislation, as follows:

1. S. 509, a bill to authorize a major medical facility project at the Department of Veterans Affairs Medical Center, Walla Walla, Washington, and for other purposes, was introduced in the Senate on March 2, 2009. The Committee discharged the bill on July 15, 2009, and the Senate passed it by unanimous consent later that day. The House of Representatives passed the bill on November 2, 2009, and it was signed into law as Public Law 111-98 on November 11, 2009.

2. S. Res. 340, a resolution expressing support for designation of a National Veterans History Project Week to encourage public participation in a nationwide project that collects and preserves the

stories of the men and women who served our Nation in times of war and conflict. The bill was introduced in the Senate on November 5, 2009. The Committee discharged the resolution on November 10, 2009, and the Senate agreed to the resolution that same day.

3. H.R. 1037, to enhance veterans' insurance benefits, and for other purposes, was passed by the House of Representatives on July 14, 2009, and discharged by the Committee on October 7, 2009. The Senate passed the bill on October 7, 2009, but no further action was taken.

4. H.R. 1377, a bill to amend title 38, United States Code, to expand veteran eligibility for reimbursement by the Secretary of Veterans Affairs for emergency treatment furnished in a non-Department facility, and for other purposes. The bill was discharged by the Committee on December 12, 2009, and signed into law as Public Law 111-137 on February 2, 2010.

#### *B. Second Session (2010)*

In the Second Session, the Committee met in open session on January 28 and August 5, 2010, and ordered to be favorably reported a combined total of nine pieces of legislation to the full Senate.

1. S. 1237, the Homeless Veterans and Other Health Care Authorities Act of 2010

To amend title 38, United States Code, to expand the grant program for homeless veterans with special needs to include male homeless veterans with minor dependents and to establish a grant program for reintegration of homeless women veterans and homeless veterans with children, and for other purposes. The bill was introduced on June 11, 2009. The Committee ordered the bill to be reported on January 28, 2010, and S. Report 111-175 was filed on April 29, 2010. No further action was taken on the bill in this Congress.

2. S. 3107, Veterans' Compensation Cost-of-Living Adjustment Act of 2010

To provide for an increase, effective December 1, 2010, in the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans, and for other purposes. The bill was introduced on March 11, 2010. The Committee ordered it to be honorably reported on August 5, 2010, and S. Report 111-281 was filed on the same day. On September 22, 2010, the Senate passed the companion measure to the bill, H.R. 4667, which was signed into law as Public Law 111-247 on September 30, 2010.

3. S. 3234, Veteran Employment Assistance Act of 2010

To improve employment, training, and placement services furnished to veterans, especially those serving in Operation Iraqi Freedom and Operation Enduring Freedom, and for other purposes. The bill was introduced on April 20, 2010, and the Committee ordered it to be favorably reported, as amended, on August 5, 2010. The report, S. Report 111-285, was filed on September 2, 2011. No further action was taken on the bill.

4. S. 3325, Veterans Telehealth and other Care Improvements Act of 2010

To waive copayments for telehealth and telemedicine visits of veterans, and for other purposes. The bill was introduced on May

6, 2010, and the Committee ordered it to be reported on August 5, 2010. S. Report 111–286 was filed on September 2, 2010. No further action was taken on the bill.

5. S. 3378, Examination of Exposures to Environmental Hazards During Military Service and Health Care for Camp Lejeune and Atsugi Naval Air Facility Veterans and Their Families Act of 2010

To authorize health care for individuals exposed to environmental hazards at Camp Lejeune and the Atsugi Naval Air Facility, to establish an advisory board to examine exposures to environmental hazards during military service, and for other purposes. The Committee ordered the legislation be favorably reported on January 28, 2010, as an original measure. The bill was introduced on May 17, 2010, and the report, S. Report 111–189, was filed the same day. No further action was taken on the bill.

6. S. 3447, Post-9/11 Veterans Educational Assistance Improvements Act of 2010

To improve educational benefits under the Post-9/11 Veterans Education Assistance Act for veterans who served in the Armed Forces after September 11, 2001, and for other purposes. The bill was introduced on May 27, 2010. The Committee ordered the bill to be favorably reported on September 29, 2010, as amended, and the report, S. Report 111–346, was filed on October 26, 2010. The bill was passed by the Senate on December 13, 2010, and by the House three days later. The measure was signed into law on January 4, 2011, as Public Law 111–377.

7. S. 3517, the Claims Processing Improvement Act of 2010

To improve the processing of claims for disability compensation filed with the Department of Veterans Affairs, and for other purposes. The bill was introduced on June 22, 2010. The Committee ordered that the bill be favorably reported on August 5, 2010, and the report, S. Report 111–354, was filed on November 29, 2010. No further action was taken on the bill.

8. S. 3609, an original bill to extend the temporary authority for the performance of medical disability examinations by contract physicians for the Department of Veterans Affairs. The bill was introduced on July 19, 2010. The Committee ordered the bill to be reported on August 5, 2010, and S. Report 111–288 was filed on September 2, 2011. The bill was introduced on the same day. The provisions of the bill were incorporated into H.R. 3219, the Veterans Benefits Act of 2010, which was signed into law on October 13, 2010, as Public Law 111–275.

9. S. 3765, an original bill to amend title 38, U.S.C., to improve Servicemember Group Life Insurance and Veterans' Group Life Insurance and to modify the provision of compensation and pension to surviving spouses of veterans in the months of the deaths of the veterans, and for other purposes. The Committee ordered that this legislation be reported as an original bill on August 5, 2010, which became S. 3765 when introduced on September 2, 2010. S. Report 111–282, was also filed on September 2, 2010. The provisions of the bill were incorporated into H.R. 3219, the Veterans Benefits Act of 2010, which was signed into law on October 13, 2010, as Public Law 111–275.

In addition, during the Second Session the Committee discharged several bills by unanimous consent, as follows:

1. S. 3162, a bill to clarify the health care provided by the Secretary of Veterans Affairs that constitutes minimum essential coverage, was discharged by the Committee on March 26, 2010, and passed by the Senate by unanimous consent on the same day. No further action was taken on the bill.

2. S. 3860, a bill to require reports on the management of Arlington National Cemetery, was discharged by the Committee on December 4, 2010, and passed by the Senate the same day. The bill was passed by the House of Representatives on December 16, 2010, and signed into law as Public Law 111-339, on December 22, 2010.

3. S. Res. 451, a resolution expressing support for designation of a "Welcome Home Vietnam Veterans Day," was discharged by the Committee on March 19, 2010, and agreed to in the Senate on the same day.

4. H.R. 3219, the Veterans' Benefits Act of 2010, was discharged by the Committee on September 28, 2010, and passed in the Senate, as amended, by unanimous consent the same day. The legislation was signed into law as Public Law 111-275 on October 13, 2010.

5. H.R. 4360, a bill to designate the Department of Veterans Affairs blind rehabilitation center in Long Beach, California, as the "Major Charles Robert Soltes, Jr., O.D. Department of Veterans Affairs Blind Rehabilitation Center." The Committee discharged the bill on April 19, 2010, and the Senate passed the bill the same day. The bill was signed into law as Public Law 111-164, on May 7, 2010.

6. H.R. 4505, a bill to enable State homes to furnish nursing home care to parents any of whose children died while serving in the Armed Forces. The bill was discharged by the Committee on September 20, 2010, and signed into law as Public Law 111-246 on September 30, 2010.

7. H.R. 4667, the Veterans' Compensation Cost-of-Living Adjustment Act of 2010, was discharged by the Committee on September 22, 2010, and passed by the Senate by unanimous consent on the same day. The bill was signed into law as Public Law 111-247 on September 30, 2010.

### *C. Reports*

S. 252, Veterans Health Care Authorization Act of 2009. S. Report 111-60.

S. 407, Veterans' Compensation Cost-of-Living Adjustment Act of 2009. S. Report 111-24.

S. 423, Veterans Health Care Budget Reform and Transparency Act of 2009. S. Report 111-41.

S. 475, Military Spouses Residency Relief Act. S. Report 111-46.

S. 669, Veterans 2nd Amendment Protection Act. S. Report 111-27.

S. 728, Veterans' Benefits Enhancement Act of 2009. S. Report 111-71.

S. 801, Caregiver and Veterans Health Services Act of 2009. S. Report 111-80.

S. 3107, the Veterans' Compensation Cost-of-Living Adjustment Act of 2010. S. Report 111-281.

S. 3234, Veteran Employment Assistance Act of 2010. S. Report 111-285.



S. 3325, Veterans Telehealth and other Care Improvements Act of 2010. S. Report 111–286.

S. 3447, Post-9/11 Veterans Educational Assistance Improvements Act of 2010. S. Report 111–346.

S. 3609, a bill to extend the temporary authority for the performance of medical disability examinations by contract physicians for the Department of Veterans Affairs. S. Report 111–288.

S. 3765, an original bill to amend title 38, U.S.C., to improve Servicemember Group Life Insurance and Veterans’ Group Life Insurance and to modify the provision of compensation and pension to surviving spouses of veterans in the months of the deaths of the veterans, and for other purposes. S. Report 111–282.

#### *D. Public Laws*

S. 252, Veterans Health Care Authorization Act of 2009 is Public Law 111–163.

S. 407, Veterans’ Compensation Cost-of-Living Adjustment Act of 2009. Public Laws 111–37 and 111–247.

S. 423, Veterans Health Care Budget Reform and Transparency Act of 2009. Public Law 111–81.

S. 475, Military Spouses Residency Relief Act. Public Law 111–97.

S. 509, A bill to authorize a major medical facility project at the Department of Veterans Affairs Medical Center, Walla Walla, Washington, and for other purposes. Public Law 111–98.

S. 801, Caregiver and Veterans Health Services Act of 2009. Public Law 111–163.

S. 1963, A bill to amend title 38, United States Code, to provide assistance to caregivers of veterans, to improve the provision of health care to veterans, and for other purposes. Public Law 111–163.

S. 3107, the Veterans’ Compensation Cost-of-Living Adjustment Act of 2010. Public Laws 111–37 and 111–247.

S. 3447, Post-9/11 Veterans Educational Assistance Improvements Act of 2010. Public Law 111–377.

S. 3860, A bill to require reports on the management of Arlington National Cemetery. Public Law 111–339.

### III. OVERSIGHT

#### *A. First Session (2009)*

In accordance with its mandate, the Committee engaged in vigorous oversight of VA Regional Offices, hospitals, and other health care facilities, as well as Department of Defense (DOD) facilities.

A primary focus for the Committee is VA compliance with policies and regulations in the processing of disability compensation claims for veterans with service-connected conditions. Toward this end, the Committee’s Majority staff visited 13 VA Regional Offices in 2009. Staff examined individual claims in these offices, identifying patterns of serious errors or omissions, relaying that information to VA leadership so that it could improve the training, oversight, and accuracy of VA claims decisions.

In a related effort, Majority Committee staff travelled to the VA Regional Office in Manila, Philippines, to monitor the administration and the adequacy of funding for the VA entitlement providing

a lump-sum payment to thousands of surviving Filipino veterans who fought with U.S. Forces during World War II when their country was under U.S. control, yet were denied veterans benefits.

Other areas of specific concern for Majority Committee staff included the denial of claims from Naval veterans for conditions related to herbicide exposure without VA having first ruled out the possibility that the ship on which the veteran served had travelled on the inland waterways of Vietnam. As a result of these efforts, VA improved the accuracy of claims processing for such veterans. VA accomplished this by establishing a central database with a list of ships for which service on such inland waters is documented, thereby saving claim adjudicators from the time-consuming process of repeatedly substantiating service on such waters. The list continues to increase, benefiting thousands of veterans.

The Committee's Majority staff also examined the quality of decisions for claims related to Traumatic Brain Injury (TBI), with the result that VA improved the adjudication of such claims, specifically those in which a veteran's examination includes neuropsychiatric testing for objective evidence of impairments.

Also audited by the Committee Majority staff were decisions for tinnitus, hearing loss, and Post Traumatic Stress Disorder (PTSD); the quality of medical examinations conducted by VA medical examiners; and, the adequacy of quality-control measures employed by VA to ensure accurate and consistent claims decisions.

Majority Committee staff traveled to several DOD facilities to monitor efforts to help returning servicemembers, especially those who were severely wounded, transition to civilian status. Staff also visited Brooke Army Medical Center at Fort Sam Houston in San Antonio, Texas, to tour the comprehensive trauma, burn, surgical, and critical care units. They examined the workings of the joint VA/DOD system for obtaining disability compensation benefits for wounded warriors and other returning servicemembers. To look at similar issues, staff visited the Wounded Warrior Regiment at the Marine Corps Base at Quantico, VA.

Among the areas Majority Committee staff examined at VA health care facilities was VA's prosthetics and orthotics program, covering the provision of artificial limbs, braces, wheelchairs, and other devices that improve a veteran's mobility.

In addition, Minority Committee staff carried out oversight visits to Durham, North Carolina, to observe an oral argument before the U.S. Court of Appeals for Veterans Claims and to VA's Regional Office in St. Louis, MI, to monitor claims processing.

#### *B. Second Session (2010)*

Building on the findings of field investigations from the first session, the Majority Committee staff continued its investigation into the administration of VA's disability compensation system. Majority investigative staff traveled to ten VA Regional Offices across the Nation, including Puerto Rico, to closely examine individual claims and audited, through remote technology, the adjudication of claims in several other VA Regional Offices. Staff also examined the retrieval capacity of the U.S. Army & Joint Services Records Research Center.

A key focus of the Majority Committee staff was claims filed by veterans of Vietnam who served on Air Force bases in Thailand.

Staff provided documents to VA that show the use of herbicides along the perimeters of Air Force bases in Thailand during the Vietnam War and worked with VA to improve the recognition of exposure in such cases to help ensure that eligible veterans receive benefits for conditions linked to Agent Orange exposure.

Majority Committee staff also examined VA processing of claims for PTSD and for specially adapted housing grants. Staff identified errors in both types of claims that caused delays or even the denial of benefits to eligible veterans and worked with VA to correct such errors and to take steps to avoid them in the processing of future claims.

Majority Committee staff also identified cases in which benefits were delayed in time-sensitive pension and death-pension claims pending the determination of eligibility for compensation or DIC benefits. VA subsequently instructed adjudicators to first process pension or death pension claims before moving on to the more time-consuming task of evaluating disability compensation and DIC claims.

The Majority Committee staff also reviewed VA's management of claims from veterans who live in Pacific Rim nations. In reviewing claims from such veterans, staff identified a number of cases in which veterans had waited more than two years to receive a medical examination. At the Committee's request, VA sent clinicians to Japan who completed 200 medical examinations and reduced the backlog of pending examinations.

Majority and Minority Committee staff traveled to several DOD and VA facilities to evaluate the effectiveness of initiatives aimed at better coordination between the two departments in the evaluation of service-connected disabilities among returning service-members. Facilities were located in Alaska, Pennsylvania, Georgia, Rhode Island, Arkansas, Colorado, Louisiana, and Hawaii. Committee staff also examined the responsiveness of VA health care programs to the needs of women veterans and non-profit organizations that receive funding from VA to those of veterans. Broader quality-of-care issues were the focus at VA hospitals and VA community-based outpatient clinics, and Vet Centers. Finally, Committee staff traveled to VA facilities responsible for administering the Post-9/11 GI Bill.

In addition, Minority Committee staff conducted oversight visits to VA facilities including Pittsburgh, PA, and New Orleans, LA, as well as to VA's Regional Office in Winston-Salem, NC.

## IV. NOMINATIONS

Name and Position	Date of Nomination	Date of Hearing	Date Reported	Date Confirmed
First Session				
General Eric K. Shinseki .....	12/7/08*	1/14/09	1/20/09	1/20/09
Secretary of Veterans Affairs				
W. Scott Gould .....	3/11/09	4/1/09	4/2/09	4/3/09
Deputy Secretary of Veterans Affairs				
L. Tammy Duckworth .....	3/16/09	4/1/09	4/20/09	4/22/09
Assistant Secretary of Veterans Affairs (Public and Intergovernmental Affairs)				
John U. Sepulveda .....	4/2/09	5/6/09	5/12/09	5/18/09
Assistant Secretary of Veterans Affairs (Human Resources)				
Jose D. Riojas .....	4/20/09	5/6/09	5/12/09	5/18/09
Assistant Secretary of Veterans Affairs (Operations, Security, and Preparedness)				
William A. Gunn .....	4/20/09	5/6/09	5/12/09	5/18/09
General Counsel, Department of Veterans Affairs				
Roger W. Baker .....	4/20/09	5/6/09	5/12/09	5/18/09
Assistant Secretary of Veterans Affairs (Information and Technology)				
Raymond M. Jefferson .....	6/3/09	7/22/09	8/3/09	8/7/09
Assistant Secretary of Labor for Veterans' Employment and Training				
Joan M. Evans .....	6/23/09	7/22/09	8/7/09	8/7/09
Assistant Secretary of Veterans Affairs (Congressional and Legislative Affairs)				
Raul Perea-Henze .....	11/9/09	12/9/09	1/28/10	3/19/10
Assistant Secretary of Veterans Affairs (Policy and Planning)				
Robert A. Petzel .....	11/18/09	12/9/09	12/16/09	2/11/10
Under Secretary for Health of the Department of Veterans Affairs				
Second Session				
[none] .....				

\* Designated as his future nominee on December 7, 2008, by then President-elect Barack Obama.

## V. BUDGET FOR VETERANS PROGRAMS

## A. First Session (2009)

Pursuant to the requirements of section 301(d) of the Congressional Budget Act of 1974, the Democratic and Republican Members of the Committee submitted letters to the Budget Committee reflecting the Committee's Views and Estimates on the Administration's proposed fiscal year 2009 budget for veterans' programs. The letter submitted is printed below in its entirety:

MARCH 16, 2009.

Hon. KENT CONRAD, *Chairman*,  
Hon. JUDD GREGG, *Ranking Member*,  
*Committee on the Budget*,  
*U.S. Senate, Washington, DC.*

DEAR CHAIRMAN CONRAD AND RANKING MEMBER GREGG: Pursuant to Section 301(d) of the Congressional Budget Act of 1974, the Undersigned Members of the Committee on Veterans' Affairs (Undersigned Members) hereby report to the Committee on the Budget their views and estimates on the Fiscal Year 2010 (FY 2010) Budget for Function 700 (Veterans' Benefits and Services) and for Func-

tion 500 (Education, Training, Employment, and Social Services) programs within the jurisdiction of the Committee on Veterans' Affairs (Committee). This letter responds to the Committee's obligation to provide recommendations on veterans' programs within its jurisdiction from the perspective of the Undersigned Members.

At the outset, we note that we have not received the full budget, which is normally used by this Committee—and all Committees—to inform our Views and Estimates. Given this reality, we are severely limited in our ability to provide detailed information on any account.

The outline of the President's proposed FY 2010 Budget includes \$55.9 billion in discretionary budget authority for the Department of Veterans Affairs (VA), an increase of \$5.6 billion from fiscal year 2009 (FY 2009). The Committee received only this total number, which includes billions in medical collections revenue, including funds potentially obtained by enactment of a legislative proposal. By way of comparison, *The Independent Budget* formulated by AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars of the United States, and endorsed by 62 other organizations, recommends \$54.6 billion for FY 2010, which includes projected revenues.

The President's budget request for VA mandatory budget authority is \$56.9 billion, which is \$9.7 billion over the FY 2009 level.

The following are several areas we highlight:

*Increased Veteran Enrollment.* VA will likely face increased enrollment in the wake of an anticipated drawdown of American forces in Iraq. Through the fourth quarter of fiscal year 2008, 400,304 separated Operation Enduring Freedom/Operation Iraqi Freedom veterans have utilized VA health care. Also, the Administration proposes that VA open health care eligibility to an additional 550,000 Priority 8 veterans by 2013, with nearly half of these newly eligible veterans predicted to enroll during the next fiscal year. This challenge is compounded by the declining economy, which may cause a staggering and unprecedented number of eligible veterans to enroll in, and rely on, VA for health care. As such, we recommend continued monitoring of any potential imbalance between the resources VA has to operate with and the demand for medical care.

*Advance Appropriations.* We are concerned that the current process of appropriating funds on an annual basis to fund the upcoming fiscal year will—because of Congress's record of passing funding bills late—continue to hamper VA's ability to manage its health care operation in a rational manner. During 19 of the past 22 fiscal years, VA has not received its appropriation by the start of the new fiscal year, with funding sometimes coming as late as February. VA must be able to plan for a coming fiscal year so that it may hire the personnel it needs and meet necessary maintenance expenses in a responsible way. Of course, VA managers should be held accountable when they fail to do so, but the first step is to give them an understanding of what they will have to work with well before a fiscal year begins. Accordingly, we ask you to ensure that there is no language in the Budget Resolution that would impose a point of order on the consideration of an advance appropriation for VA health care.

*Outyear Budget.* The outline of the President's proposed FY 2010 budget contains estimates for fiscal years 2011 through 2014 and suggests there will be less than 3 percent discretionary spending increases in each of those years. However, estimates of recent medical care inflation rates applicable to VA range from 2.6 percent to about 5 percent. Given the needs of the system, and inflation, we have concerns about the accuracy of the proposed discretionary out-year spending increases. We urge the Budget Committee to seek information showing how these estimates are aligned with actual program usage and stated policy objectives before carrying them forward in the Budget Resolution.

*Proposed Legislation.* We understand that embedded within the FY 2010 budget will be a proposal to bill insurers for care provided to veterans for injuries and diseases incurred or aggravated during their military service. We oppose any such effort, as it is the responsibility of VA to cover the cost of this care. Furthermore, we are concerned about potential unintended consequences this policy might have on the ability of veterans to remain insured.

*Timely and Accurate Claims.* The Undersigned Members remain concerned that timely and accurate claims adjudication continues to be a problem. Sufficient funds must continue to be made available for staffing, training, and technology enhancements, and VA managers must be held accountable for performance with the resources provided.

*Post-9/11 GI Bill.* Full implementation of the Post-9/11 GI Bill on August 1, 2009, must be achieved. The President's Budget states that it "facilitates timely implementation" of the new program. We will continue to monitor and evaluate the situation as we move forward.

*Mandatory Spending.* Veterans' entitlement programs, such as disability compensation and pension, are rarely adjusted by Congress because of PAYGO rules that require offsets in spending in other veterans' benefits programs. This rule makes it difficult to adjust several benefit programs, which require periodic adjustments in order to combat the erosion of the value of those benefits over time due to inflation. We recognize that the PAYGO rule's primary purpose is to prevent the Federal budget deficit from growing. Therefore, the Undersigned Members recommend that sufficient funds be included to provide *reasonable* increases for burial benefits and automobile grants. In addition, we recommend that the COLA round-down be eliminated. Of course, we will make every effort to identify offsets necessary to pay for these reasonable increases *if* that can be done without harming the integrity of other veterans' benefits programs and the beneficiaries who rely on them.

The attached Appendix includes information on our various priorities and demonstrates the need for additional resources in certain areas.

Sincerely,

DANIEL K. AKAKA,  
*Chairman.*

JOHN D. ROCKEFELLER IV.  
PATTY MURRAY.  
BERNARD SANDERS.  
SHERROD BROWN.  
JIM WEBB.

RICHARD BURR,  
*Ranking Member.*  
ARLEN SPECTER.  
JOHNNY ISAKSON.  
ROGER F. WICKER.

JON TESTER.  
 MARK BEGICH.  
 ROLAND W. BURRIS.  
 Enclosure.

#### APPENDIX

This Appendix includes information on various recommendations on veterans' programs.

#### DISCRETIONARY ACCOUNT SPENDING

##### MEDICAL CARE

##### *Advance Appropriations*

VA has faced significant challenges over the years as a result of politics hindering the regular appropriations process. While this may be a reasonable setback for some programs, it is not the case when the program in question is health care for veterans, many of whom depend heavily or exclusively on VA to fulfill their obligation to care for them, and the quality or availability of that health care. During 19 of the past 22 fiscal years, VA has not received its appropriation by the start of the new fiscal year, with funding sometimes coming as late as February. VA must be able to plan ahead so that it may hire the personnel it needs and meet necessary maintenance expenses in a responsible way. Additionally, having advance knowledge of future funding will improve VA's ability to plan strategically and to ensure programs are executed seamlessly, thereby increasing efficiency and reducing waste of taxpayer dollars, as well as preventing any gaps in services received by veterans.

In order to address this issue, many Members, including several on the Committee on Veterans' Affairs, are supporting S. 423 the Veterans Health Care Budget Reform and Transparency Act of 2009. This bill would allow Congress to appropriate money for certain Veterans Health Administration (VHA) accounts one year in advance of the normal appropriation process in order to provide timely, sufficient, predictable funding for veterans' health care. As the funding will still be done through the appropriations process, Congress will retain its traditional oversight capabilities. The use of an advance appropriation is not a unique arrangement. This approach is used to fund other programs, such as Housing and Urban Development (HUD) Section 8 Vouchers and Head Start. Accordingly, we ask you to ensure that there is no language in the Budget Resolution that would impose a point of order on the consideration of an advance appropriation for VA health care.

##### *Current Services*

Using past experience as a guide, medical care inflation (assuming an extremely conservative estimate of 2.6%), increases in the costs of goods, and other uncontrollables may dictate an increase in obligations in FY 2010 simply to maintain the level of current services. Increased intensity (which encompasses changes in medical care delivery to adjust for more complex care) and utilization of medical services by existing patients also continues to drive costs up as well. Because we do not know whether the outline of the President's proposed FY 2010 Budget accurately reflects inflation

rates and needs for services beyond FY 2010, we do not comment on the adequacy of any budgetary projections beyond FY 2010. We urge the Budget Committee to seek information showing how the President's estimates are aligned with actual program usage and stated policy objectives before carrying them forward in the Budget Resolution.

#### *Increased Workload*

VA Secretary Shinseki testified before the Committee on March 10, 2009, that the FY 2010 budget is sufficient to treat 5.5 million veteran patients, an expected 2.1% increase over the FY 2009 projections. The outline of the President's proposed FY 2010 Budget indicates an intention to expand eligibility for VA health care to veterans without service-connected disabilities earning modest incomes. VA expects that this expansion will bring more than 266,000 eligible veterans into VA in FY 2010.

The increased workload resulting from a net increase in patients using the system—including the 266,000 middle-income veterans—will certainly require additional resources. In the absence of more specific data, however, we do not comment on what that resource level may be.

#### *Mental Health*

VA estimates that, of the 5.2 million veteran users of the health care system, 30% have a mental health disorder. Through August 2008, it is estimated that 76,000 enrolled OEF/OIF veterans have a probable diagnosis of post traumatic stress disorder (PTSD), 60,000 have a diagnosis of depression, and nearly 13,000 have been diagnosed with an alcohol dependence syndrome. According to the Congressional Research Service, VA estimates it will spend \$319 million for PTSD treatment and \$15.5 million for suicide prevention treatment in FY 2009, with aggregate expenditures for mental health services totaling \$3.9 billion. Funding for mental health services in FY 2010 must continue at least at this level to maintain current services and allow VA to meet legislative requirements in the area of mental health, such as offering health care during evening hours at least one day a week.

The Readjustment Counseling Service (RCS) continues to help veterans and their families with psychosocial readjustment issues. The RCS provides services such as bereavement, marriage, and family counseling services to family members. These services are provided at 232 Vet Centers, expanding to 271 by the end of FY 2009. In addition, VA put its first mobile Vet Center into service in October 2008. VA plans to deploy 50 of these centers, each with space for confidential counseling and outreach workers. Without a full budget, we do not know whether this program is sufficiently funded but we do support adequate funding to continue providing needed mental health services through this program.

#### *Homeless Veterans*

Outreach to homeless veterans continues to be a priority, especially in light of estimates that at least 45% of homeless veterans suffer from mental illness and more than 50% have substance abuse problems. The Homeless Veterans Reintegration Program (HVRP)—funded through the Department of Labor—provides



grants to agencies that help veterans find homes and jobs. HVRP is currently authorized for \$50 million but has not had appropriations commensurate with its authorization. We recommend increasing funding to its authorized level.

When homeless veterans seek employment, they have a need for decent transitional housing and for programs to address the special needs of specific subsets of the homeless population, including women veterans, elderly veterans, veterans with chronic mental illness, and those homeless veterans who are terminally ill. We recommend full funding for VA's Homeless Provider Grant and Per Diem program. In addition we are pleased to see that the President's budget contains funding for a program authorized in Public Law 110-387 enabling VA to make grants to non-profit organizations that provide supportive services for veterans at risk of homelessness. It is our hope that taking a proactive, holistic approach to solving this problem will prevent the cycle of homelessness from ever beginning in the first place.

#### *Caregivers*

We believe that families often play a critical role in the treatment and recovery of injured or disabled veterans. It has been shown that involving family members of injured veterans in medical care greatly enhances the probability and speed of recovery. When a veteran cannot independently complete some of the tasks of daily living, but does not require institutionalized care, these family members can provide the necessary care in the comfort of their own home.

In the course of providing the necessary care to a disabled veteran, family members often find it difficult to maintain full-time employment, due to the time-intensive nature of providing the care. As a result, they lose the income necessary to sustain their household, private health insurance, and other critical benefits.

VA is currently unable to provide the appropriate training and support services for family members caring for disabled veterans, although it is essential to ensuring that the veteran is receiving adequate home care. Considering that the average cost of caring for a veteran in a long-term care institution is over five times that of caring for a veteran through VA's home based primary care program, this approach is short-sighted.

We expect to pursue authorizing legislation to establish a caregiver program within VA. This program would authorize VA to provide training and supportive services to family members and loved ones who wish to care for the disabled veteran in the home. These supportive services would include training and certification, a living stipend, and health care—including mental health counseling, transportation benefits, and respite. The Committee is currently waiting on a Congressional Budget Office score on this proposal, but the potential exists for additional costs associated with a new caregiver program.

#### *Rural Veterans*

For FY 2009, VA will spend \$250 million outside of its medical services account for dedicated rural health and outreach. This same amount, adjusted for inflation, is the minimum required for existing services, assuming no new veterans enter the system. We be-

lieve additional resources are required, but cannot determine, without access to greater details than provided in the outline of the President's proposed FY 2010 Budget, whether the budget currently includes adequate resources to expand VA's rural health effort. We recommend funding to build more mobile clinics, offer telehealth services at more of VA's remote clinics, and research the best way to provide health care through this technology.

#### *Female Veterans*

As of October 2008, the population of women veterans numbered over 1.8 million—7.6% of the total veteran population. By 2010, women are expected to represent over 14% of the total veteran population. As the number of women who access VA increases, we are concerned that there may be insufficient attention to ensure uniform access to gender-specific services across the VA health care system. The complex needs of today's women veterans, particularly those who served during Operations Enduring and Iraqi Freedom (OEF/OIF), require that VA assess the effectiveness of its existing gender-specific programs and initiate new ones that strategically address the many needs of this cohort in a way that is inviting, compassionate, and demonstrates a driven yield toward the best outcomes.

Women veterans of childbearing age make up approximately 41% of the women veteran population. While VA may, under current law, provide care related to a pregnancy, there is no authority to cover medical expenses for newborn care. This can create an unnecessary barrier for women veterans receiving obstetric services from VA through fee basis because VA is unable to address the expenses for the newborn post delivery when contracting with the delivering hospital on all other aspects of the care. We intend to advance legislation to provide 7 days of newborn medical care for women veterans giving birth. The cost of this new authority is estimated to be \$2.5 million for the coming fiscal year.

#### *Veterans with Special Needs: Prosthetics and Sensory Aids*

Many veterans suffer amputations, whether from combat injuries, as is now happening for OEF/OIF servicemembers, or because of medical conditions such as diabetes. Within the last 18 months, veterans with amputations accounted for nearly 1.5 million outpatient visits. Prosthetics, in VA, includes many services and devices in addition to artificial limbs. In fact, wheelchairs and access services cost VA more than artificial legs.

The demand for prosthetic-related services has increased dramatically. Since 2000, the total number of veterans requiring prosthetics, sensory aids, and associated types of health care services has increased by more than 70%. VA's FY 2008 expenditures exceeded the projected budget of \$1.42 billion by \$42.6 million. VA has historically underestimated the cost associated with providing prosthetic and sensory aids to veterans. Therefore, we anticipate that the President's Budget may include only the minimum necessary to support this program and therefore, recommend that additional funding be included in the Budget Resolution.

### *Dental Services*

Dental care represents a growing need among returning veterans. Poor dentition can interfere with the proper treatment for cancer and cause severe infections in diabetics and other immunocompromised veterans. Dental care is available to service-connected members, to newly discharged veterans, and to veterans with other health care conditions negatively impacted by dental problems. While VA has 755 community based outpatient clinics, there are only 207 dental treatment sites. VA has underfunded dental care in the past, obligating \$485 million for FY 2009 when more was spent on that during the previous year (\$580 million). We recommend funding VA dental services at a level which will allow VA to provide eligible veterans with timely and quality dental care during FY 2010.

### *Quality and Performance Initiatives*

VA's National Surgical Quality Improvement Program ensures that VA can identify facilities with increased rates of death or complications following surgery and respond appropriately. This is regarded as a very effective program, and has been adopted by other professional organizations and health care systems. According to VA officials, VA was expected to allocate \$1.34 million to this program. However, it has already obligated more than that. Improvements are needed to ensure that this system continues to report problems accurately and fairly, by hiring additional statistical support and other services. As it has already obligated more funds than previously expected, we recommend an appropriate level of funding to keep this important quality assurance program fully effective.

## MEDICAL SUPPORT AND COMPLIANCE

### *Protecting Human Subjects*

VA's Office of Research Oversight (ORO) is responsible for overseeing VA research. Recently, ORO has been given the responsibility of educating research compliance officers. Research compliance officers are employees in VA medical centers who monitor ongoing research projects to ensure that the rights of veterans are protected when they participate in research. We anticipate this educational effort will cost an additional \$750,000. As of December 31, 2008, VA has authorized a research compliance officer for every VA medical center conducting research.

Without the full detail included in the budget, we do not know whether projected funding will be adequate for the needs of ORO. We recommend ensuring that the Budget Resolution include robust funding for this office so that those veterans participating in research will be protected to the greatest extent possible.

## MEDICAL AND PROSTHETIC RESEARCH

VA reports that VA researchers co-authored 65,779 articles in peer-reviewed scientific journals from January 1, 2001, through November 7, 2008, a body of work representing significant advances in the diagnosis and treatment of many debilitating conditions. VA research must continue to focus on conditions like Post Traumatic Stress Disorder, Traumatic Brain Injury, and Persian Gulf War Ill-

ness that disproportionately affect veterans. So that VA researchers may continue this work, we recommend an additional increase for VA research in FY 2010.

In addition to improving care for veterans, funding research also directly benefits recruitment and retention of VA health care providers. Over three quarters of VA's researchers provide direct patient care in VA. Supporting their research efforts helps VA retain good quality providers to care for veterans.

While VA does considerable research in prosthetics, the amount of research dollars specifically devoted to this arena is presently unclear. Prosthetics is an important area and we recommend increasing funding so as to expand research initiatives to ensure veterans with amputations enjoy the best quality of life possible. As such, we suggest that the Office of Research and Development include in its budget submission a designated research area or other category indicating how much of VA's research budget is devoted to prosthetic research.

#### MEDICAL FACILITIES

##### *Non-Recurring Maintenance*

The Medical Facilities account includes funding for maintenance and operation of all VA facilities including funding needed for non-recurring maintenance. VA received \$1 billion in the American Recovery and Reinvestment Act for non-recurring maintenance, which helps meet the existing backlog in this area. As these funds are expected to address outstanding projects, we recommend that this program continue to be funded in an amount at least equivalent to the President's Budget.

#### CONSTRUCTION

##### *Major, Minor, Grants for State Extended Care Facilities, and State Veterans Cemeteries*

VA currently has an extensive backlog in construction, including \$1.787 billion needed for major construction projects that have already begun and have been partially funded. In addition, VA has approximately \$6.5 billion of major medical facility construction projects in its 5-year capital plan. We believe that sufficient funding should be provided on a set schedule over the next several years to address both the partially funded projects and the projects in VA's 5-year capital plan. The scheduled funding should be done in a manner that will result in all of these projects being completed on time. The funding should be provided commensurate with the stage of construction the project is in. It is likely that in order to meet such a schedule that VA's major construction account will need funding in FY 2010 that, at the very least, equals the \$1.069 billion provided for FY 2009.

In addition to the needed funding for construction, we support a substantial investment in facilities for VA research. VA will need \$142 million in designated funding for necessary renovation of existing research space and build-out costs for leased researched facilities.

As VA continues to provide more institutional long-term care in State Veterans Homes, we will evaluate the impact of decreasing state revenues (or substantial state budget deficits) on the future

ability of states to provide matching funds for the construction, rehabilitation, and repair of facilities.

We recommend that the State Cemetery Grants Program be funded at a level that funds all pending applications for state cemetery construction, expansion, and improvement that are ready for funding in FY 2010.

Without access to greater details than provided in the outline of the President's proposed FY 2010 Budget, we cannot accurately assess whether the President's budget will meet the needs of State Veterans Cemeteries and State Extended Care facilities.

#### VETERANS BENEFITS

##### *Disability Claims Processing*

VA must take aggressive action to improve the claims adjudication process. During recent years, Congress has provided increased staffing to the Veterans Benefits Administration (VBA) to process disability claims. We will continue to monitor current staffing levels at VBA to ensure that it has adequate staffing resources to adjudicate claims in a timely and accurate manner. In addition, we will look to the President's budget for details on ongoing training initiatives. We will also look to the Administration to show how it is holding managers and employees accountable for performance with the substantial resources already provided.

Any effort to reduce the backlog of disability claims must use information technology to alleviate the burden on veterans seeking benefits through the use of web-based technologies. VA has developed a Paperless Delivery of Veterans Benefits Initiative, which would allow veterans to apply quickly for benefits online, reduce the adjudication time within VA, and eliminate a major potential for personal information security violations. Without access to more details than provided in the outline of the President's proposed FY 2010 Budget, we cannot accurately assess whether sufficient funding to accelerate the development of this initiative has been provided. We recommend that the Budget Resolution expressly include support to expand the use of information technology to improve the timeliness and accuracy of claims adjudication.

##### *Vocational Rehabilitation and Employment*

Without specific details on the staffing request for Vocational Rehabilitation and Employment (VR&E) it is difficult to evaluate the adequacy of the outline of the President's proposed FY 2010 Budget request. However, we do believe that staffing levels must be closely monitored for the program.

The effect of the enactment of the Post-9/11 GI Bill on the enrollment of veterans in the chapter 31 program is not yet known. However, we believe that the staffing levels for this important function have been eroded over the years and that increases in staffing levels are justified despite the uncertainty that exists at this time. This is especially true since the impact of service in Iraq and Afghanistan continues to result in an increase in the number of more seriously injured veterans who will likely qualify for the VR&E program.

In addition, we anticipate enactment of legislation to make improvements in the current VR&E program and specifically to in-

crease the amount of the subsistence allowance. With the enactment of the Post-9/11 GI Bill, veterans who are eligible to participate in both programs may select to enroll in the new GI Bill in order to receive a greater subsistence or living allowance—even though they could benefit more by receiving the additional counseling, training and job placement assistance available through the VR&E program.

We recommend that the Budget Resolution include sufficient funding for adequate staffing to ensure that the program remains an attractive and effective one for severely disabled veterans.

### *Education*

The enactment of the Post-9/11 GI Bill, last Congress, presents a challenge to VA to implement in a timely and seamless manner.

The outline of the President's proposed FY 2010 Budget request provides no detail on VA's plan to implement the program successfully on August 1, 2009, and its short- and long-term strategies for benefits delivery. However, VA's progress in this important area is being closely monitored and, should the need for additional resources become apparent, appropriate recommendations will be made.

We recommend that additional resources, which were referenced, but not detailed, in the outline of the President's proposed FY 2010 Budget be included in the Budget Resolution, together with a commitment to provide any needed additional funding to support the workload associated with anticipated increases in the number of education claims, as well as the need to maintain the timeliness and accuracy of very complex education claims processing.

### DEPARTMENT OF LABOR, VETERANS' EMPLOYMENT AND TRAINING SERVICE

The outline of the President's proposed FY 2010 Budget includes the statement that the budget will honor "the commitment to returning servicemembers by supporting training and placement services to ease their transition to employment." We believe that this is a valid and worthwhile goal. To this end, we believe that the Department of Labor's Veterans' Employment and Training Service (VETS) should receive appropriate funding for its Recovery & Employment Assistance Lifelines (REALifelines) initiative which provides injured servicemembers and veterans with one-on-one employment assistance to help them transition into the civilian labor force. We recommend that this program should be positioned to meet the very pressing needs of those returning from combat with serious injuries.

We further believe that adequate amounts in Grants to States funding should be available to provide additional services and assistance to targeted groups of veterans, including the spouses of deployed servicemembers. The groups targeted should include recently separated veterans, veterans with service-connected disabilities, and homeless veterans. We further recommend that the Budget Resolution include funding that would support an appropriate number of Disabled Veterans' Outreach Program Specialists and Local Veterans' Employment Representatives.

Finally, we recommend that the Budget Resolution include Federal Administration funds in an amount sufficient to permit VETS

to conduct a professional training conference for VETS employees. VETS has not been able to convene such a meeting since 2004. We believe that this meeting would be an opportunity to improve operational performance within the agency.

#### COURT OF APPEALS FOR VETERANS CLAIMS

The budget estimate for the U.S. Court of Appeals for Veterans Claims (Court) shows a need of \$27.1 million for FY 2010. This budget estimate includes increased staffing for 12 positions. This represents the personnel for the two additional judicial chambers authorized by Congress effective December 31, 2009. We support the Court's request.

The Veterans Consortium Pro Bono Program estimates a need of \$1.82 million, an increase of \$120,000 over the FY 2009 request. The estimate for the program is included in the Court's \$27.1 million dollar estimate. The need for the consortium, which provides free legal representation to veterans, has increased in the past few years, as more veterans seek judicial review.

#### MANDATORY ACCOUNT SPENDING

We support the budget request of \$56.9 million, an increase of \$9.7 billion, for entitlement programs over the FY 2009 level. However, there are several areas within this account that require funding beyond what the President has requested. We will make every effort to identify offsets necessary to pay for these reasonable increases if that can be done without harming the integrity of other veterans' benefits programs and the beneficiaries who rely on them.

#### *Cost-of-Living Adjustment*

Under current law, the COLA applied to veterans' disability compensation and survivors' dependency and indemnity compensation (DIC) is rounded down to the next lowest whole dollar. VA compensation is sometimes the sole source of income for a veteran and his or her family. Over time, the effect of a COLA round-down can be substantial. We owe it to our Nation's veterans to provide them with appropriate compensation, the value of which does not decrease with inflation. Although the legal authority for an automatic COLA round-down is set to expire in 2013, we recommend that funding be provided to end the COLA round-down ahead of schedule.

#### *Burial Benefits*

The Federal Government has provided varying forms of burial benefits since the Civil War. We are concerned that the continued erosion of the value of benefits has resulted in a burial benefit which covers just a small fraction of what was covered in 1973 when VA first provided monetary burial benefits for our veterans.

We recommend that funding be provided to bring the value of this benefit to a reasonable level. Specifically, we recommend that the Budget Resolution include funding that would support reasonable increases in the plot allowance, service-connected burial benefit, and non-service-connected burial benefit.

### *Automobile Grants*

VA provides certain severely disabled veterans and service-members grants for the purchase of automobiles. This grant also provides for adaptive equipment necessary for safe operation of those vehicles. When this grant was first established in 1946, it covered approximately 85% of the average cost of a new automobile. Over time, Congress adjusted the amount provided to a level equal to 80% of the cost of a new automobile. However, lack of further adjustments to this grant have gradually eroded the benefit so that today, the current allowance of \$11,000 represents less than 40% of the average cost of an automobile. We recommend that the Budget Resolution include sufficient funding so as to support adequate funding in FY 2010 to provide a reasonable increase to the automobile grant.

### *Mandatory and Receipt Proposals*

The outline of the President's proposed FY 2010 Budget proposes two changes to the mandatory account: implementation of the Administration's concurrent receipt policy and use of discretionary funds for contract examinations for disability compensation eligibility. We cannot comment on these two proposals without a complete budget and additional details regarding the implementation and possible effects of these initiatives.

### *B. Second Session (2010)*

Pursuant to the requirements of section 301(d) of the Congressional Budget Act of 1974, the Democratic and Republican Members of the Committee submitted a letter to the Budget Committee reflecting the Committee's Views and Estimates on the Administration's proposed fiscal year 2010 budget for veterans' programs. The letter submitted is printed below in its entirety:

MARCH 5, 2010.

Hon. KENT CONRAD, *Chairman*  
Hon. JUDD GREGG, *Ranking Member*  
*Committee on the Budget,*  
*U.S. Senate, Washington, DC.*

DEAR CHAIRMAN CONRAD AND RANKING MEMBER GREGG: Pursuant to Section 301(d) of the Congressional Budget Act of 1974, the Democratic and Independent Members of the Committee on Veterans' Affairs (Undersigned Members) hereby report to the Committee on the Budget their views and estimates on the Fiscal Year 2011 (hereinafter, "FY 2011") budget for Function 700 (Veterans' Benefits and Services) and for Function 500 (Education, Training, Employment, and Social Services) programs within the Committee's jurisdiction, including the Court of Appeals for Veterans Claims. This letter responds to the Committee's obligation to provide recommendations on veterans' programs within its jurisdiction, albeit from the perspective of the Undersigned Members.

#### I. SUMMARY

The Undersigned Members support the President's request for the FY 2011 budget for the Department of Veterans Affairs, but recommend an increase, above the Department's requested discre-



tionary amounts, of \$30 million for Information Technology, \$12 million for the Office of Inspector General, \$25.5 million for Medical and Prosthetic Research, \$235 million for Minor Construction, \$20.5 million for Vocational Rehabilitation and Employment, and \$57 million in funding for a new program to support family caregivers. The result of these recommendations is an overall funding amount of \$380 million above the Department's requested discretionary amount for FY 2011.

The FY 2010 Appropriations Act (Public Law 111–117) provided \$48.183 billion in resources for FY 2011 for three medical care accounts through advance appropriations. In addition to the appropriated resource level, we anticipate collections in the amount of \$3.355 billion, for a total FY 2011 resource level of \$51.538 billion. We support the Department's request for an increase over the FY 2010 funding level of \$3.702 billion for medical care services.

While the requested appropriations level for FY 2011 appears sufficient to meet the estimated demands of FY 2011, we are concerned that the President's requested advance appropriations level for FY 2012 may not satisfy the health care needs of veterans, based on anticipated increases in veterans' health care service demands. At this time, however, we support the President's request of \$50.611 billion in FY 2012 advance appropriations for the three medical care appropriations. When combined with the anticipated collections amount of \$3.679 billion, the total requested resource level of \$54.290 billion for FY 2012 would represent an increase of 5.3 percent over the FY 2011 estimate to support approximately 6.2 million patients. We anticipate adjusting this FY 2012 estimate over the coming year, as more current actual obligation data become available. In addition, we plan to review the Government Accountability Office's report on its analysis of the Administration's advance appropriations projections as compared to VA's Enrollee Health Care Projection Model.

With respect to mandatory benefits, sufficient funding should be provided to support a reasonable increase in the Specially Adapted Housing Grant program for FY 2011 and to not impose a Cost-of-Living Adjustment round-down for the upcoming fiscal year.

## II. DISCRETIONARY ACCOUNT SPENDING

### A. Medical Services

The President requests an overall funding amount of \$40.742 billion for Medical Services for FY 2011, an increase of \$2.159 billion over the amount in FY 2010. We support the President's request for an additional \$2.159 billion in funding for Medical Services, as described in greater detail below:

#### *Components of Recommended Increases*

##### 1. Health Care Services

*Acute Care (+\$173 million):* VA provides veterans with acute care services that include inpatient hospital care, ambulatory care, and pharmacy services. Inpatient acute care services include neurology and surgery. Ambulatory care includes care provided at VA hospital-based and community-based clinics, as well as contracted non-VA facilities. Pharmacy services include prescriptions, over-the-counter medications, and pharmacy supplies. VA estimates the de-

mand for such services will cost \$27.137 billion in FY 2011, necessitating an additional \$173 million in needed funding over the FY 2010 amount.

The Undersigned Members support the President's request for an additional \$173 million for acute care funding for FY 2011.

*Rehabilitation (+\$36 million):* VA's rehabilitative care programs include the Blind Rehabilitation and Spinal Cord Injury programs, among others. Pursuant to Public Law 104-262, which established the requirement that VA maintain its capacity to provide for the specialized treatment and rehabilitative needs of patients, the Administration is expanding the Blind Rehabilitation program to accommodate the increased workload due to additional numbers of eye injuries among Operational Enduring Freedom and Operation Iraqi Freedom (OEF/OIF) veterans.

The Undersigned Members support the President's request for an additional \$36 million in funding for FY 2011 for VA's rehabilitation programs.

*Mental Health (+\$410 million):* Funding for mental health supports inpatient, residential, and outpatient mental health programs. The number of veterans diagnosed with substance abuse problems is increasing, necessitating more resources for mental health services. The proposed additional funds will support the following: integration of VA's specialized mental health services with primary care; expansion of VA's specialized substance abuse programs per Public Law 110-387; expansion of VA's capacity to provide inpatient psychiatric and residential care; addressing family-related needs of returning veterans experiencing distress following reentry into civilian life; more effective treatment for post traumatic stress disorder (PTSD); treatment for veterans with traumatic brain injury; and efforts to prevent suicide among veterans.

VA is integrating mental health and primary care in more than 100 sites to facilitate treatment and has enhanced the capacity of general mental health, substance abuse treatment, and specialized PTSD programs.

The Undersigned Members support the President's request for an additional \$410 million in funding over FY 2010 levels for mental health services, for a total funding amount of \$3.717 billion for FY 2011.

*Prosthetics (+\$148 million):* VA provides funds to veterans for the purchase and repair of prosthetics and sensory aids, such as artificial limbs, hearing aids, pacemakers, artificial hip and knee joints, ocular lenses, and wheelchairs. VA estimates the demand for such prosthetics and repairs to cost \$1.699 billion in FY 2011 and requests an additional \$148 million in needed funding over the FY 2010 amount. Funding allocations for 2010 were based primarily on FY 2009 expenditure data from the National Prosthetics Patient Database. As of July 2009, VA reported that 557 OEF/OIF veterans with amputations were using the VA health care system.

The Undersigned Members support the President's request for an additional \$148 million in funding for FY 2011, for a total amount of \$1.847 billion to meet the demand for prosthetics in FY 2011.

*Dental Care (+\$47 million):* VA provides veterans with dental care services that include onetime Class II benefits to all newly discharged combat OEF/OIF veterans within 180 days of discharge. Class II benefits are provided to veterans with service-connected,

non-compensable dental conditions or disabilities shown to have been in existence at the time of discharge or release from active duty. VA also provides dental services to veterans placed into dental Classifications III and IV, those with a condition negatively impacted by poor dentition. VA estimates the demand of such services will cost \$494.936 million in FY 2011, necessitating an additional \$47 million in funding over the FY 2010 funding amount.

The Undersigned Members support the President's request for an additional \$47 million in funding for FY 2011, for a total funding amount of \$494.936 million for dental care for FY 2011.

*Long-Term Care (+\$819 million):* VA projects the institutional care average daily census (ADC) will increase from 39,937 to 41,123 (3 percent) from 2010 to 2011, and the non-institutional care ADC will increase from 93,935 to 111,484 (19 percent) from 2010 to 2011. Of this increase in the non-institutional care ADC, VA's use of home telehealth accounts for 28.6 percent of the increase. To support this increased demand for telehealth, VA will be dedicating \$163 million of the \$819 million increase requested for long term care in FY 2011 to telehealth services, which is an increase of \$41.8 million, or 34.5 percent, above the FY 2010 level. Telehealth and telemedicine have been shown to improve health care by increasing access, eliminating travel, reducing costs, and producing better patient outcomes, and we applaud these efforts.

The Undersigned Members support the President's request for an additional \$819 million in funding for FY 2011, for a total funding amount of \$5.388 billion for long-term care services.

*Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA) (+\$109 million):* CHAMPVA provides health care benefits for dependents and survivors of veterans who are, or were at time of death, 100 percent permanently and totally disabled from a service-connected disability, or who died from a service-connected condition. CHAMPVA costs continue to grow as a result of several factors. The Veterans' Survivor Benefits Improvements Act of 2001 expanded eligibility to those 65 years of age and older who would have lost their CHAMPVA eligibility when they became eligible for Medicare. The Veterans Benefits Act of 2002 also allowed retention of CHAMPVA for surviving spouses remarrying after age 55. In addition, VA projects on increasing volume of claims, along with increasing transaction fee costs for processing electronic claims. The factors combined are projected to result in a 10.1 percent increase in costs from 2010 to 2011.

The Undersigned Members support the President's request for an additional \$109 million in funding for FY 2011, and recommend a total funding amount of \$1.114 billion for CHAMPVA services.

*Readjustment Counseling (+\$7.4 million):* VA furnishes readjustment counseling at VA's Vet Centers to veterans who served in combat zones, including those involved in OEF/OIF. VA had 271 Vet Centers operating across the country in 2009, expanded to 299 in the current fiscal year, and intends to operate 300 in 2011. Vet Centers provide essential counseling related to combat service, bereavement counseling for families of servicemembers who die while on active duty, as well as outreach and referral services. VA expects an increase in PTSD and other mental health conditions as veterans return from OEF/OIF after multiple tours of duty. The

President requests \$179 million in total funding for FY 2011 to meet the increasing demand for readjustment counseling.

Therefore, the Undersigned Members support an additional \$7.4 million in funding for FY 2011, and recommend a total of \$179 million in funding for readjustment counseling.

*Other VA Health Care Programs (+\$3 million):* VA operates a number of other VA health care programs, such as the Community-Based Domiciliary Aftercare/Outreach Program; the Residential Care Home Program; and the State Home Hospital Program. The VA/DOD Health Care Sharing Incentive Fund will also require continued funding. VA projects a slight increase in demand for these services, necessitating an additional \$3 million in funding for FY 2011 above the FY 2010 funding amount.

The Undersigned Members support the President's request for an additional \$3 million in funding for FY 2011, and recommend a total funding amount of \$44.895 million for other health care programs.

*Combat Homelessness Pilot Program (+\$26 million):* VA is requesting \$26 million in funding for FY 2011 for continued support of the Combat Homelessness Pilot Program, through which VA partners with non-profit organizations, consumer co-operatives, and other agencies to assist families of veterans that might otherwise become homeless.

The Undersigned Members support the President's request for \$26 million to support VA's Combat Homelessness Pilot Program for FY 2011, an amount that equals the support provided to the program in FY 2010.

## 2. New Initiatives

While the Undersigned Members of the Committee support the expansion of many existing initiatives in the areas of mental health, readjustment counseling, and rehabilitative care as discussed above, we believe that more can and should be done—especially in the areas of homelessness, long-term care, and family caregiving. The Undersigned Members support the Administration's proposed "New Initiatives" discussed below.

*Zero Homelessness (+\$286.85 million):* In an effort to end homelessness among veterans, VA proposes to enhance its current efforts to house homeless veterans by expanding the capacity of the Housing and Urban Development-Veterans Affairs Supported Housing (HUD-VASH), Health Care for Homeless Veterans (HCHV) Contract Housing, Homeless Providers Grant and Per Diem, and Domiciliary Care for Homeless Veterans (DCHV) programs.

We support the President's request for \$286.850 million for 2011 to expand its efforts to end homelessness through the Zero Homelessness Initiative.

*Telehealth, Non-Institutional Long-Term Care (+\$40 million):* Telehealth technology expands access to care for veterans in rural and highly-rural areas. A recent study found patients enrolled in home telehealth programs experienced a 25 percent reduction in the average number of days hospitalized and a 19 percent reduction in hospitalizations. In addition to providing better outcomes, these methods also decrease costs of health care.

The Undersigned Members support the President's request for an additional \$40 million to expand its Telehealth Initiative in 2011 for its non-institutional long-term care patients, with the goal of reducing overall costs by providing more accessible high quality health care to veterans residing in rural areas.

*Family Caregivers (+\$57 million):* The Committee is in the final stages of bringing forward compromise legislation (S. 1963) to establish a caregiver program within VA. This program would authorize VA to provide training and supportive services to family members and other loved ones who wish to care for a disabled veteran in the home and to allow veterans to receive the most appropriate level of care. The newly authorized supportive services would include training and certification, a living stipend, and health care—including mental health counseling, transportation benefits, and respite. The Committee believes the score assigned to this legislation by the Congressional Budget Office (CBO) is incorrect due to several errors in interpretation, including:

- Grossly overestimating the population of veterans who will be eligible for caregiver services. A more correct estimate<sup>1</sup> provided by Center for Naval Analyses (CNA) is 720 veterans per year as opposed to 48,850 as estimated by CBO. CBO and VA assume that the proposed new program will apply to all injured veterans regardless of how seriously they are injured or when they were injured. The legislation clearly states it applies only to “seriously injured or very seriously injured” (SI/VSI) veterans who were injured or aggravated an injury in the line of duty on or after September 11, 2001.
- Overestimating the length of time a veteran will require caregiver services. CBO and VA assume it will be indefinite. CNA's study finds the average requirement is for 18 months. Only 43 percent of veterans require caregiver services in the long-term.
- CBO also assumes that all enrolled veterans will need a full-time caregiver, whereas CNA has found that, on average, veterans need only 21 hours of services per week.
- Assuming that 100 percent of injured veterans will utilize the program. According to written testimony from Gerald Cross, M.D., VA's former Acting Under Secretary for Health, to date, only 233 family members have been referred for caregiver training and certification.

Based on these points, the Undersigned Members strongly recommend funding the new caregiver program using the Committee's estimate of \$57 million in FY 2011.

### 3. Major and Minor Construction (+\$192 million):

The Administration requested \$1.151 billion for Major Construction in FY 2011, which is a decrease of almost \$43 million from the FY 2010 funding level. Although this request supports 3 medical facility projects already underway and begins 2 new medical facility projects, there remains a huge backlog of partially-funded construction projects. The Major Construction request also fully funds the 2011 resources required to support gravestone expansion at

<sup>1</sup> Christensen, Eric, Candace Hill, Pat Netzer, DeAnn Farr, Elizabeth Schaefer, Joyce McMahon. (April 2009). *Economic Impact on Caregivers of the Seriously Wounded, Ill, and Injured*. CNA Publication (CRM D0019966.A2).

three National Cemeteries. This expansion will provide a burial option to an additional 500,000 deceased veterans and eligible family members, address concerns in urban areas, and encourage new burial practices such as “green” or eco-friendly burial methods. The new policies will increase the current strategic target for the percent of the veteran population served by a national or state veterans cemetery within 75 miles of their home to 94 percent.

VA has included a new initiative in the Major Construction appropriation. Funding in the amount of \$23.964 million is requested to support resident engineers on major construction projects of the Veterans Health Administration and National Cemetery Administration. This funding will support approximately 140 engineers at nearly 50 sites across the country. Funding will cover all costs for these employees, including salary and benefits, training, travel, permanent change of station funds, etc. This proposal would allow for additional critical staff in the areas of planning, acquisition, as well as architectural and engineering support to help VA better manage its physical infrastructure.

For Minor Construction, the Administration’s budget request of \$467.700 million would reduce the account from its FY 2010 level by over \$235 million. However, the costs of repairing all of the facilities in need of repair—via minor construction and nonrecurring maintenance funds—would total over \$9 billion. Funding for minor construction must, at the very least, stay at a consistent level from the previous fiscal year.

Therefore, the Undersigned Members support the President’s request for \$1.151 billion for Major Construction for FY 2011, a decrease of nearly \$43 million from FY 2010 levels. We also recommend a total of \$467.7 million for Minor Construction in FY 2011, which is an additional \$235 million over the level requested by the Administration, and virtually the same amount as appropriated in FY 2010.

#### 4. Legislative Proposals (+\$22.777 million):

The President requests an additional \$58.201 million in funding for FY 2011 to support a variety of legislative proposals. Such proposals, which the Undersigned Members support, include \$18.9 million for the Homeless Providers Grant and Per Diem Program to encourage eligible entities to establish community-based programs that furnish outreach, supportive services, and transitional housing for female homeless veterans, homeless veterans with chronic mental illness, and veterans who are frail and/or terminally ill.

In addition, reinstatement of the Health Professional Scholarship Program and providing medical care for newborns are included in the total requested amount of \$58.201 million. As the Committee is on the verge of passing these or related provisions, it is critical to allocate sufficient funding for these initiatives.

The President also proposes to provide caregiver support in the form of CHAMPVA coverage, travel expenses, education, and training. These caregiver provisions are included in the pending S. 1963 and are accounted for in the Family Caregivers section above. The total amount of the VA requested provisions is \$35.424 million, which has been deducted here as those provisions are funded in the Family Caregivers total above.

Therefore, the Undersigned Members recommend an additional \$22.777 million in funding for FY 2011 to support these legislative proposals.

5. Policy Highlights (The proposed increases for the following veteran groups are incorporated within the above requested amounts.)

*Women Veterans:* Women veterans are the fastest growing segment of veterans. The percentage of women veterans is nearing eight percent and expected to rise substantially over the next two decades. While VA is an institution originally designed and focused toward serving male veterans, there is a crucial need to adapt to this change in the veteran population.

We support the President's request for an additional \$19 million in funding for women veterans. An increase in the FY 2011 budget toward women veteran specific programs is a positive sign that VA is making an effort to ramp up services for the rapidly growing number of women veterans.

*OEF/OIF Veterans:* VA anticipates treating 439,000 OEF/OIF veterans in the next fiscal year, an increase of over 56,000 (or 14.8 percent) above the 2010 level. In 2011, OEF/OIF patients represent 7.2 percent of the overall VA patients served. Through October 2009, VA reported that, of the 480,324 separated OEF/OIF veterans who have sought VA health care since FY 2002, a total of 227,205 unique patients had a diagnosis of a possible mental health disorder; of this total, 120,480 had a probable diagnosis of PTSD; 83,671 were diagnosed with depression; and 22,261 received a diagnosis of alcohol dependence syndrome. These statistics highlight VA's efforts to proactively identify mental health conditions among returning OEF/OIF veterans, for the purpose of intervening early to prevent chronic disorders and their debilitating impact on the quality of life of veterans. Additionally, due to improved battlefield medicine, OEF/OIF veterans are surviving more serious injuries, but are often left with amputations and traumatic brain disorder. These conditions result in profound health care needs.

We support the President's request for an additional \$597 million in funding towards OEF/OIF care for veterans. As more OEF/OIF veterans return from multiple tours of duty, the FY 2011 budget increase will be critical to meeting the increased demand for rehabilitative care, mental health care, and readjustment counseling.

*Priority Group 8 Veterans:* VA's goal is to increase the enrollment of Priority 8 veterans—namely, those with incomes above a threshold based on family size who either have no service-connected disability or a zero percent disability rating—by 500,000 by FY 2013. In 2009, VA opened enrollment to Priority 8 veterans whose incomes exceeded last year's geographic and VA means-test thresholds by no more than 10 percent. VA estimates that 193,000 more veterans will enroll for medical care by the end of 2010 as a result of this policy change. In 2011, VA plans to further expand health care eligibility for Priority 8 veterans to those whose incomes exceed the geographic and VA means-test thresholds by no more than 15 percent compared to levels in effect prior to expanding enrollment in 2009. VA anticipates that this additional expansion of eligibility for medical care will result in 99,000 new enrollees in 2011,

bringing the total number of new enrollees from 2009 to the end of 2011 to 292,000.

The Undersigned Members support the President's budget request to be funded in full to ensure adequate funding for the enrollment of Priority 8 veterans.

*B. Medical Support and Compliance (+\$377 million) and Medical Facilities (+\$881 million)*

The Medical Support and Compliance appropriation provides funds for the expenses of management, security, and administration of the VA health care system. Such costs include operation of VA medical centers, VHA headquarters, Veterans Integrated Services Network (VISN) offices, Facility Director offices, Chief of Staff operations, quality of care oversight, security and legal services, billing and coding activities, procurement, financial management, and human resource management.

The President's FY 2011 and FY 2012 estimates for the Medical Support and Compliance appropriation are based on an actuarial analysis founded on current and projected veteran population statistics, enrollment projections of demand, and case mix changes associated with current veteran patients.

We support the President's recommendation of \$377 million in funding over FY 2010 levels for Medical Support and Compliance and \$881 million in funding over FY 2010 levels for Medical Facilities. We expect these funding levels to be adequate to maintain current levels of service.

*C. Medical and Prosthetic Research (+\$34.5 million)*

VA medical and prosthetic research is key to advancing health care in the nation, not only for veterans but for the population at large. As the nation's largest health care network, VA has unparalleled resources with which to conduct research, including its cadre of dedicated physician researchers. It is for this reason that the Undersigned Members are concerned by the Administration's request for only an additional \$9 million over the FY 2010 funding level, with no planned increase in FTE. This limited request is insufficient when compared to the \$70 million increase requested in FY 2010 over the FY 2009 amount. Additionally, *The Independent Budget* projects a biomedical research and development inflation rate of 3.3 percent in FY 2011 however VA's request is only 1.5 percent greater. This amount would cover less than half of the increase in expenses due to inflation, which would have an adverse impact on quality.

The Undersigned Members recommend \$34.5 million over the FY 2010 level, for a total of \$624.5 million for FY 2011.

*D. Information Technology (+\$30 million)*

The FY 2011 President's Budget does not provide for any increase in the area of Information Technology (IT). However, there are several new and current initiatives VA intends to accomplish that will require IT support. While it is commendable that VA is carefully reviewing and prioritizing all IT projects, we are concerned that flat-lining this area would be problematic in accomplishing new initiatives or other important but lower-profile projects, were it not for the large increase in the FY 2010 budget



and carry over from FY 2009. VA believes flat-lining the budget will not have a negative impact on both VBA and VHA IT initiatives and claims that it can carry out operational support, security requirements, and develop new projects within the FY 2010 budget level requested.

The Undersigned Members, therefore, support the President's IT budget (as proposed) and are hopeful that the days of investing significant funds into mismanaged programs are in the past.

#### Health-Related Funding by Medical Care Account

Needed Discretionary Revenue for FY 2011 (dollars in thousands)	Total FY 2011	Increase above President's FY 2010
Medical Services:		
Health Care Services:		
Acute Care .....	\$27,136,581	\$173,000
Rehabilitative Care .....	\$535,846	\$36,000
Mental Health .....	\$3,717,136	\$410,000
Prosthetics .....	\$1,698,613	\$148,000
Dental Care .....	\$494,936	\$47,000
Long term Care .....	\$5,387,995	\$819,000
CHAMPVA .....	\$1,113,947	\$109,000
Readjustment Counseling .....	\$179,000	\$7,400
Other VA Health Care Programs .....	\$44,895	\$3,000
Combat Homelessness Pilot Program .....	\$26,000	\$0
Initiatives:		
Zero Homelessness .....	\$286,850	\$286,850
Telehealth .....	\$40,000	\$40,000
Family Caregivers .....	\$57,000	<sup>1</sup> \$57,000
Legislative Proposals .....	\$22,777	\$22,777
Total Medical Services .....	<sup>2</sup> \$40,741,576	\$2,159,027
Medical Care Appropriations:		
(1) Medical Services .....	\$37,136,000	\$2,443,500
(2) Medical Support and Compliance .....	\$5,307,000	\$377,000
(3) Medical Facilities .....	\$5,740,000	\$881,000
Total Recommended for Medical Care Appropriations (without Collections & Reimbursements) .....	\$48,183,000	\$3,701,500
Collections .....	\$3,355,000	\$329,000
Total for Medical Care Appropriations with Collections (without Reimbursements) .....	\$51,538,000	\$4,030,500
Reimbursements .....	\$327,000	\$14,800
Total Obligations for Medical Care Appropriations with Collections and Reimbursements .....	\$51,865,000	\$4,045,300
Total for Medical and Prosthetics Research .....	\$624,500	<sup>3</sup> \$34,500
Total for Information Technology .....	\$30,000	<sup>4</sup> \$30,000

<sup>1</sup> Funding is \$57 million above President's requested level

<sup>2</sup> Includes appropriations, collections, and reimbursements for Medical Services

<sup>3</sup> Funding is \$25.5 million above President's requested level

<sup>4</sup> Funding is \$30 million above President's requested level

#### *E. Compensation, Pension, and Burial Staffing and Training*

VA must take aggressive action to improve the claims adjudication process, with a focus on training and quality. The Undersigned Members believe the Administration's request for compensation, pension, and burial staffing in FY 2011 is necessary to mitigate the impact of the recent decision to extend presumptive service-connection for certain conditions associated with exposure to Agent Or-

ange, an increase in claims receipts, and a growing complexity in claims adjudication.

*Staffing:* For FY 2011, the President requests 16,968 FTE for compensation, pension, and burial staffing. This is a 30 percent increase over the FY 2010 level. Of this amount, 14,138 FTE would be dedicated to direct compensation—an increase of 1,820 FTE over the FY 2010 level.

The American Recovery and Reinvestment Act of 2009 provided \$150 million for the hiring and training of temporary claims processors through 2010. With this funding, VA hired 2,300 compensation, pension, and education claims processors—1,870 of whom were dedicated solely to compensation and pension claims processing. In FY 2011, VA anticipates retaining these temporary hires and adding 2,050 new positions.

*Workload:* The disability claims workload from OEF/OIF veterans, as well as from veterans of earlier periods, has continuously increased since 2000. Annual claims grew from 674,219 in 2001 to 1,013,712 in 2009. Claims received by VA are increasingly complex, and require more time to develop and rate. In 2009, original claims for compensation with eight or more claimed issues increased from 22,776 in 2001 to 67,175 in 2009—a 300 percent increase.

Veterans from the Vietnam conflict and the first Gulf War are aging and filing reopened claims in greater numbers. In 2009, reopened claims comprised slightly more than 56 percent of disability claims. Many veterans receiving compensation have chronic, progressive diseases such as diabetes, mental illness, and musculoskeletal or cardiovascular illnesses. It is reasonable to project that as these veterans continue to age, their disabilities will worsen and more claims will be reopened as a result.

*Timeliness:* VA estimates that even with its expanded C&P direct labor FTE that it will take an average of 190 days to complete a claim—29 days longer than the current average. VA's strategic target is to complete a claim in 125 days. The Undersigned Members believe that VA must be able to absorb new court decisions, changes in legislation and regulation, the impact of other unforeseen events, and, above all, avoid becoming paralyzed to the detriment of the veterans who rely on it. The Undersigned Members additionally believe that this cannot be accomplished through staffing alone and will monitor VA's other initiatives, including the Veterans Benefits Management System, which seeks a favorable impact on the system.

The Undersigned Members will continue to monitor VBA's staffing requirements and output in FY 2011. We also will look to the Administration to show how it is holding managers and employees accountable for performance with the substantial additional resources provided.

*Training:* The President's FY 2011 budget submission proposes a dramatic increase in staffing for VBA. This will require an intensive training effort.

VBA has established a broad spectrum of training programs and educational resources, both at VA's Regional Offices and at the Veterans Benefits Academy in Baltimore, Maryland. Veterans Service Representatives (VSRs) and Rating Veterans Service Representatives (RVSRs) are provided three weeks of centralized basic training at the Veterans Benefits Academy. The Veterans Benefits

Academy also offers a range of advanced training courses in leadership and management development, as well as computer-based learning tools and satellite broadcasts that bring the Academy's expertise directly to staff desktops.

The Undersigned Members are disappointed that the President's Budget request did not provide many particulars on the training of new FTE to enable the Committee to better understand the effect of the drastic hiring initiatives. The Undersigned Members therefore recommend that the Budget Committee require that the VA Office of Inspector General conduct an audit of VBA's hiring and training initiatives. In particular, the Undersigned Members recommend that the IG examine VBA's process for hiring, training and supervising new employees, and the Administration's progress in integrating new employees into its workforce. The Undersigned Members believe that training is an essential component of any strategy to improve the timeliness and accuracy of claims processing, and hopes that the quality of claims that are adjudicated does not suffer as VA undertakes this effort.

#### *F. Board of Veterans' Appeals*

The Board of Veterans' Appeals (BVA) is responsible for making final Departmental decisions on behalf of the Secretary for the thousands of benefits claims presented for appellate review annually.

The President's FY 2011 request for BVA is \$75.2 million, which would support 557 FTE, an increase of 5 FTE and \$1.925 million over the estimate for the current fiscal year. The Undersigned Members note that BVA was able to increase staffing during FY 2010 through use of carryover funds.

The Undersigned Members agree with the President's assessment and support the proposed increase to reduce the backlog of claims at BVA, decrease the average days pending, and further improve quality.

#### *G. Education*

The VBA's Education Service provides veterans, servicemembers, Reservists, and certain family members with educational resources. The implementation of the Post-9/11 GI Bill has presented a challenge to VA in terms of making timely and accurate payments.

The President's FY 2011 budget request calls for a reduction in FTE from the FY 2010 level—from 1,889 to 1,521. At the same time, an increase of 4.9 percent is projected in workload. The Undersigned Members are aware of the improvements in processing timeliness and the planned implementation of an automated system for claims. At this time, we have no justification for recommending any increase over the President's recommendation. However, the Undersigned Members intend to monitor the situation closely and will recommend additional resources if necessary.

#### *H. Vocational Rehabilitation and Employment (+\$20.5 million)*

The Vocational Rehabilitation and Employment (VR&E) Program provides training, education, and other services to enable veterans to obtain and maintain employment after sustaining service-connected disabilities.

The President's FY 2011 budget request calls for a decrease of nine in the number of direct FTE for VR&E. The VR&E workload in 2009 continued to grow and the program experienced a 13.3 percent increase in the number of applications received. This increase is expected to continue as VR&E increases outreach and partnership activities with such programs as the Coming Home to Work program, the Yellow Ribbon program, the Post Deployment Health Re-Assessment program and the VetSuccess on Campus.

The Undersigned Members believe that in light of the growth in the program and the anticipated demands generated by the new and expanded initiatives—including an expansion in the number of veterans enrolled in the program of Independent Living Services—that an increase of 200 FTE is supported. This would mean an increase of \$20.5 million above the President's recommendation.

#### *I. Department of Labor, Veterans' Employment and Training Service*

The Veterans' Employment and Training Service (VETS) of the Department of Labor provides veterans and transitioning service-members with resources and services designed to maximize employment opportunities, protect employment and re-employment rights, and achieve positive employment outcomes.

The President's FY 2011 Budget proposes an increase of \$1 million in the amount designated for the Transition Assistance Program (TAP). The resources available for TAP should permit VETS to deliver more than 6,100 Employment Workshops throughout the world. In addition, the President's Budget includes an additional \$5 million for the Homeless Veterans' Reintegration Program (HVRP), which is focused on placing homeless veterans into jobs. This increase for HVRP will allow VETS to provide services to more than 25,000 homeless veterans—including homeless women veterans and veterans with dependent children who are homeless. This supports the President's initiative to end homelessness among veterans.

The Undersigned Members are concerned that without increased resources for additional staffing for both the State Grants program and federal administration higher costs could adversely impact the ability of VETS to deliver services effectively. However, the Committee believes the program should be able to realize efficiencies to absorb these higher costs.

#### *J. Court of Appeals for Veterans Claims*

The United States Court of Appeals for Veterans Claims (CAVC), a legal body independent of VA, is vested with the authority to review decisions of the Board of Veterans' Appeals (BVA) regarding a veteran's entitlements to benefits offered by VA. The Court is empowered to affirm, vacate, reverse, or remand decisions made by BVA, as well as compel actions of the Secretary, where such action is necessary to bring VA into accordance with the law.

The Court's budget request of roughly \$90 million for FY 2011 is approximately \$63 million more than the FY 2010 level—\$62 million of this proposed increase is attributable to the construction of a new courthouse. The construction estimate is consistent with the General Services Administration's estimate of the costs of land acquisition and construction. The remaining increase would provide

an additional \$695,000 for the Pro Bono program and \$1.17 million for personnel costs. Part of this personnel increase would provide for the hiring of 3 additional FTE: an Appellate Commissioner, staff attorney, and secretarial support for judges who have been recalled. The budget request also takes into consideration the possibility of new judges joining the Court in FY 2011.

During FY 2009, the Court received more case filings than at any other time in the Court's 20-year-plus history. This amounts to a near doubling of the Court's filings in the past decade. The FY 2009 case load of 4,725 is the largest in the Court's history. There is no statistical indication that this trend will abate.

To address this increased workload, the Court proposes to hire three new staff: an Appellate Commissioner, a staff attorney, and a secretary to support the recalled judges. The Appellate Commissioner would review and decide procedural motions received by the Court, which average over 1,500 per month. By using an Appellate Commissioner, as other federal courts have, the Court can free up judges to focus on the merits of the cases before them. The staff attorney and recall judge secretary positions reflect the increased workload within the Court's mediation program and increased use of recall judges.

The Undersigned Members support the Court's pursuit of appropriate space and new FTE and therefore recommend that the Court's requested funding be provided.

The Veterans Consortium Pro Bono Program requests approximately \$2.5 million for FY 2011, an increase of \$695,000 over the level authorized for FY 2010. The bulk of this increase, \$477,000, would be dedicated to supporting the Pro Bono Program as a stand-alone entity no longer relying upon veterans service organizations for administrative and other assistance. The Pro Bono Program anticipates that this will require additional staff, including an executive director and additional space to house personnel.

The need for the Pro Bono Program has increased in the past few years, as more veterans seek judicial review. Demand for free legal assistance through the program has increased steadily; the Pro Bono Program received 793 requests for assistance in 2009, compared to 313 requests in 2003. Of the 849 cases evaluated by the Pro Bono Program in 2009 (an increase over the 737 cases in 2007) 265 cases were accepted into the Pro Bono Program, compared with 209 cases in 2008, the remainder being rejected for a variety of reasons.

The Undersigned Members agree with the Pro Bono Program's assessment that the demand for free legal assistance will increase in 2011 and beyond, and that veterans would benefit from the program being able to operate as a self-sufficient entity.

### III. MANDATORY ACCOUNT SPENDING

The Undersigned Members support the President's FY 2011 budget request that would provide \$64.7 for mandatory benefits, including compensation for new Agent Orange presumptive conditions (Ischemic Heart Disease, Parkinson's, Hairy Cell and other chronic B-cell Leukemia). Of that amount, \$13.4 billion is in the form of a supplemental request to the FY 2010 budget to pay for the retroactive portion of the presumptive benefit as required under the *Nehmer v. VA* decision. As a result of *Nehmer*, VA is re-

quired to go through its records and identify all Vietnam veterans and survivors of Vietnam veterans who filed a compensation claim back to 1985 for one of the three new presumptive diseases. VA will then re-decide each of these prior claims under its new rules. If the claim is granted, in most cases, VA will pay benefits retroactive to the date VA first received the claim for disability compensation or DIC for the condition.

#### *A. Specially Adapted Housing Grants*

The Committee has identified inadequacies in VA's home adaptation grant programs—namely, Specially Adapted Housing (SAH), Special Home Adaptation (SHA), and Temporary Residence Adaptation (TRA). The SAH/SHA grants allow severely disabled service-connected veterans and servicemembers to adapt their home or build a new home to accommodate their particular disability. Similarly, VA may provide a TRA grant to eligible veterans and servicemembers who temporarily reside in a home owned by a family member and need modifications to accommodate their disability. These grants maximize the ability of disabled veterans and servicemembers to live independently.

The Committee intends to conduct oversight of these programs. The Committee also anticipates legislation to adjust the amounts of each of these grants under these programs, and if called for, to make the TRA grant a stand-alone program. However, we do not currently have specific estimates for the increased cost of these programs and do not anticipate providing any offset to cover them. The Government Accountability Office is currently conducting a study of VA's implementation of TRA grants that may provide a better understanding of the funding needed for this program. An interim report issued in June 2009 showed that since TRA was established in 2006, only nine veterans have taken advantage of this benefit. The fact that the TRA grant amount counts against the SAH/SHA grants was one of the reasons for the low usage.

The Undersigned Members recommend that the Budget Resolution include adequate funding for a reasonable increase to the Specially Adapted Housing Grants in FY 2011.

#### *B. Cost-of-Living Adjustment*

Under current law, the COLA applied to veterans' disability compensation and survivors' DIC is rounded down to the next lowest whole dollar. VA compensation is sometimes the sole source of income for a veteran and his or her family. Over time, the effect of a COLA round-down can be substantial. We owe it to our nation's veterans to provide them with appropriate compensation, the value of which should not be reduced by inflation. Although the legal authority for an automatic COLA round-down is set to expire in 2013, we recommend that funding be provided to end the COLA round-down ahead of schedule.

The Undersigned Members recommend that the Budget Resolution include sufficient funding to not impose a COLA round-down.

#### IV. CLOSING

We thank the Budget Committee for its attention to the Undersigned Members' views and estimates of the Administration's Fiscal Year 2011 budget. We look forward to working with the Budget

Committee in crafting a budget for veterans' programs that truly meets the needs of those who have served our country.

Sincerely,

DANIEL K. AKAKA,

*Chairman.*

JOHN D. ROCKEFELLER IV.

PATTY MURRAY.

BERNARD SANDERS.

SHERROD BROWN.

JON TESTER.

MARK BEGICH.

ROLAND W. BURRIS.

ARLEN SPECTER.

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